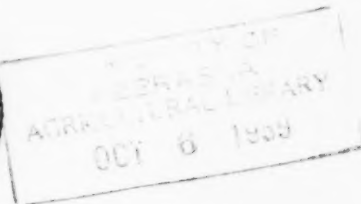


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AGRICULTURE

AGRICULTURAL FINANCE REVIEW



FARM CREDIT
FARM INSURANCE
FARM TAXATION
FARM REAL ESTATE

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This publication is a contribution of the Agricultural Finance Research Branch, Farm Economics Research Division, Agricultural Research Service, United States Department of Agriculture, Norman J. Wall, Chief. The staff of this Branch conducts research in agricultural credit, farm taxation, farm insurance, farm real estate values, and in other fields relating to the general financial condition of agriculture. The results of this research are made available through reports and publications, and data are also furnished on request to various agencies of the Department of Agriculture, to other Federal and State organizations, and to private individuals and organizations.

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RECENT TAX CHANGES AFFECTING FARMERS

Frederick D. Stocker

In its 1958 session, the Congress made several revisions in the Internal Revenue Code - the basic Federal tax law. These new amendments are the first substantive changes made since the thorough overhaul of the tax law in 1954.

As finally approved, the new law, combined two separate pieces of legislation. The first of these, the "Technical Amendments Act of 1958," also called the "Mills Bill," had as its principal purpose the elimination of unintended benefits and hardships from the 1954 Code. But during its legislative course, many more far-reaching changes were added. The second part, the "Small Business Tax Amendments Act," was designed to meet some of the special problems of small business. Nevertheless, its provisions are not necessarily limited to business concerns of a certain size; they apply to any taxpayer who meets the requirements.

These new amendments are not in any sense designed especially for the farm taxpayer. Indeed, it seems probable that the proportionate reduction in tax liabilities will be sharper in other industries than in agriculture. Nevertheless, some provisions have important implications not only for the individual farmer's tax liability, but also for decisions respecting farm organization and management.

First-year Depreciation Deduction

To most farmers, the change having greatest significance is that which permits a taxpayer to write off, in the year of acquisition, 20 percent of the cost of tangible personal property. This deduction can be taken in addition to the regular depreciation charge calculated on the balance. The benefit of this provision is limited to "small businesses" in that the additional allowance applies only to the first \$10,000 of the cost of property (\$20,000 on a joint return). The property, which may be either new or used, must have been bought after December 31, 1957 and must have a useful life of 6 years or more. This additional allowance may be obtained only in the first tax year that a depreciation deduction is allowable on such property. It amounts to 20 percent of the total cost before deduction of the normal depreciation charge, and before allowance for estimated salvage value. The remainder (net of the special deduction and the allowance for salvage) can be charged off over the life of the asset by the taxpayer's regular depreciation method.

For example, assume that a farmer bought a new tractor on January 1, 1958, for \$3,000, that normally the tractor would be depreciated on a straight-line basis over a period of 10 years, and that its salvage value at the end of 10 years is estimated at \$200. Under the new law, the farmer is entitled to

claim \$820 depreciation in the first year (table 1), instead of only \$280 (10 percent of \$2,800). ^{1/}

The special first-year depreciation allowance is available only on purchased tangible personal property, such as tractors and machinery, motor-trucks, irrigation equipment, milk tanks, and the like. It is not allowable on real property, or on property obtained by gift or inheritance. Under the Internal Revenue Code, draft, breeding, and dairy livestock are depreciable property if their cost is capitalized. The farmer would be entitled to the additional first-year depreciation allowance on them, provided (1) he bought them instead of raising, and (2) they have a useful life of 6 years or more.

Table 1.- Tractor purchased for \$3,000 and having a salvage value of \$200 at the end of 10 years: Annual depreciation and carrying value

Year	Annual depreciation (straight-line basis)	Carrying value at end of year
	Dollars	Dollars
1-----	820	2,180
2-----	220	1,960
3-----	220	1,740
4-----	220	1,520
5-----	220	1,300
6-----	220	1,080
7-----	220	860
8-----	220	640
9-----	220	420
10-----	220	200

The advantage to the taxpayer in claiming the additional first-year allowance, like that derived from other provisions to enable rapid amortization, lies in an earlier tax benefit from the deductions. ^{2/} The new provision does not increase the total depreciation allowable over the life of the asset; it merely permits the deductions to be claimed earlier than would be possible otherwise.

Generally, the earlier tax benefit conferred by this provision enables the taxpayer to keep for a time funds that he would otherwise pay as taxes.

^{1/} If the tractor had been bought after January 1, 1958, normal (straight-line) depreciation would be allowed for only part of the year.

^{2/} See Botts, R. R., and Haygood, T. F., "Alternative Methods of Figuring Depreciation Under the Internal Revenue Code of 1954," Jour. Farm Econ. 37 (3): 484-492. 1955.

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This would be especially advantageous to the farmer who is short of cash because he is building up his capital assets. As long as the taxpayer is enlarging his investment in depreciable assets, his cumulative taxpayments will be less than without the more rapid depreciation write-off. If the asset on which the 20-percent first-year allowance has been taken is sold, the more rapid write-off will increase the amount of capital gain. Even so, the taxpayer will still be ahead as the depreciation allowance saved him taxpayments at the normal rate, whereas capital gains are taxed at only half or less of the normal rate.

The taxpayer's benefit from depreciation charges in any particular year are directly proportional to the marginal tax rate applicable to his income that year. No tax benefit is obtained from depreciation charged in years when taxable income is so low as not to be taxable. It is advantageous, therefore, to charge the maximum depreciation in years of high income. Fortunately, these are the years in which a farmer is most likely to buy new equipment and be eligible for the additional depreciation allowance.

Therefore, the taxpayer who expects his income to decline in the future gains by writing off his assets as rapidly as possible. Many older farmers are in this position. Those who expect their incomes to rise - for example, younger farmers who are expanding their scale of operation - would gain by saving their depreciation deductions until later. Similarly, a taxpayer will benefit by depreciating his assets rapidly and thereby postponing net income to later years, if tax rates are reduced meanwhile. But if rates are increased, the taxpayer would be penalized by deferring income to later years.

The tax effect of using the first-year additional depreciation allowance can be shown by the same illustration used in table 1. If the farmer uses the new 20-percent allowance, he will charge off a total of \$820 the first year, or \$540 more than he would have been entitled to otherwise. If his income is subject to the first-bracket rate of 20 percent, the tax equivalent would be \$108. In each of the remaining 9 years he would charge only \$220, or \$60 less than the amount allowed without the first-year deduction. At first-bracket rates, and barring any change in rate schedules, his tax would be \$12 greater each year. The additional \$108 paid during these 9 years balances the saving in the first year.

The aggregate tax benefit to farmers would follow a similar pattern, showing an increase in the allowable depreciation in 1958 and the years immediately following, as larger charges are taken on newly purchased equipment. But as the stock of depreciable machinery and equipment comes to consist more and more of items bought since January 1, 1958, on which heavy depreciation charges were made in the first year, the annual depreciation allowed on such property will decline. The annual allowance for depreciation, assuming a constant stock of depreciable assets, will soon fall to the same level that would have existed without the first-year special allowance. The time that elapses before this occurs will be determined by the useful lives of these assets for purposes of depreciation.

In 1957, purchases of new farm machinery, equipment, and motor vehicles totaled \$2.5 billion. ^{3/} If the amount purchased in 1958 is assumed to be approximately the same, as that purchased in 1957 if this entire amount were eligible for first-year depreciation, and if all the owners elect to claim it, allowable depreciation in 1958 would have been increased by \$500 million. At first-bracket rates, this would represent an aggregate deferral of \$100 million in taxes. By comparison, total Federal income taxes payable by farm people on 1958 income are estimated at about \$1 1/4 billion.

However, this saving will be partly offset by smaller allowances under normal depreciation, even in the first year. Disregarding salvage, the normal depreciation on these assets in 1958 would be one-fifth less than it would have been without the special allowance. If the \$2.5 billion of equipment were depreciated on a straight-line basis over a period of 10 years, normal depreciation charges each year would be \$200 million, instead of \$250 million.

Two effects on agriculture are readily apparent. First, the special first-year provision reduces the immediate taxable income of those farmers who use it, although at the expense of possibly greater taxable income later on. Second, by reducing the taxable income of farmers who invest in eligible assets, it tends to encourage such investment. However, the increase in outlays for eligible assets (tangible personal property) would probably be accompanied by a cutback in outlays for consumer goods, financial assets, or real estate, or a combination of the three.

The limitation on the amount of capital outlay eligible for first-year depreciation is high enough so that few farmers will be restricted by it. Not many farm families invest as much as \$20,000 a year in eligible depreciable assets. Those that do invest on this scale will receive the greatest tax benefit from the provision, not only because they receive the maximum allowable deduction, but because the larger incomes are taxed at higher marginal rates. For this reason also, the tax benefits to nonfarm business doubtless will be far greater than those to farmers. As with any incentive that takes the form of a tax deduction, the business that operates at a loss or earns a very small net profit does not benefit.

Tax-option Corporations

Another provision of the Technical Amendments Act makes the corporate form of organization more attractive for many farmers, by providing that certain small business corporations may elect to be taxed as partnerships. The corporate income tax would not apply. In effect, this change removes the "double taxation" disadvantage to incorporation of family farms.

^{3/} U. S. Agricultural Marketing Service, "The Farm Income Situation," FIS 169, p. 36, July 1958.

The new law confers a distinct tax advantage on many small corporations. Under the tax-option rule, the shareholders would include in their own incomes for tax purposes their respective shares of the current taxable income of the corporation, whether or not it is distributed. Ordinarily, tax savings will be realized, if the rate applicable to the stockholder is lower than the rate that would be imposed on corporate income.

For example, assume that a husband and wife are the only stockholders of a corporate farm that earns a taxable income of \$30,000. The corporate tax on this income would amount to \$10,100, and if the remainder were distributed in dividends, the individual income tax due (assuming no additional exemptions, no outside income, and the maximum standard deduction of \$1,000) would amount to \$4,498, for a combined tax of \$14,598. If the corporation elected to be taxed as a partnership, the personal income tax due on the income of \$30,000 would be only \$8,434. The amount saved would be \$6,164, or more than 40 percent of tax payable if the option were not chosen.

This optional form of taxation is open to most domestic corporations that do not have more than 10 stockholders and are not members of an affiliated group. The stockholders must all be individuals (or an estate); none may be nonresident aliens; and the corporation may not have more than one class of stock. The consent of all shareholders is required before the corporation can adopt the partnership form of taxation.

For 1960 and subsequent years, the election must be made within the 2-month interval between a month before the start of the corporation's taxable year and a month after. Thus, a corporation operating on a calendar-year basis would be obliged to select its options for 1960 between December 1, 1959, and January 31, 1960.

An election once made is effective not only for the taxable year but also for all subsequent years unless revoked or terminated. The law does not permit a corporation to switch back and forth freely between the two tax methods.

The tax option provision results in an immediate tax saving to those families that have incorporated their farming operations and that meet the other requirements. More far-reaching than the saving in taxes may be the encouragement the tax option gives to new incorporations of family farms. Such a movement if widespread could affect agriculture in many ways that cannot fully be explored here.

Other Tax Changes

A new provision allows installment payment of estate taxes under certain circumstances on closely-held businesses, thereby easing a hardship that affected many farm families. Many older farmers have a substantial estate in the form of land and buildings, equipment, and livestock, but little in cash or other liquid assets. At the owner's death, the heirs may

have considerable difficulty in drawing together enough cash to meet estate and inheritance taxes. It may be necessary to mortgage the farm or sell some of the assets to get the needed cash, or the heirs may be forced to break up the farm as an operating unit, a process that may have adverse effects on efficiency and on the value of the property.

The new law (Sec. 206) allows payment of Federal estate taxes over a 10-year period if (a) a large part of the decedent's estate is tied up in the business, and (b) if the business is either a sole proprietorship, or a closely held partnership or corporation. The eligibility tests, however, appear to be broad enough to cover most family-farm situations.

Loss Carryback

Farmers in high-risk areas stand to gain from a new provision which extends from 2 to 3 years the period over which net operating losses may be carried back and offset against taxable income reported previously. No change was made in the 5-year period over which losses may be carried forward and used to reduce income subject to tax.

To some taxpayers, the new provision means an earlier realization of the tax benefit of operating losses. Under the old law, the maximum refund a taxpayer could receive as a result of a current operating loss, was the amount already paid on income reported in the 2 previous years. Any excess had to be carried forward and claimed as an offset to income in later years. Now, however, the limit to the immediate tax benefit available is raised to the amount paid on income of the 3 previous years. Any excess can still be carried forward as before and applied successively against income of each of the succeeding 5 years.

For a few taxpayers, the total tax benefit may be increased. A current-year net operating loss may now be applied against income of 8 rather than 7 other years. Sometimes a taxpayer with large or persistent losses may reach the limit on the carryover without fully offsetting his losses against taxable income. By adding one more year, the new law reduces this likelihood, although the possibility still remains.

Because many farm people (especially the young) who drown while fishing or swimming in, or boating on, farm ponds, the Soil Conservation Service has issued Memo SCS 82. This memo points out the need for fencing in a pond, grading its slope, putting up warning signs, and providing life-saving equipment. It also directs the farmer's attention to possible liability action if such carelessness is found to be a contributing factor in a drowning occurring on his premises.

TAX CONSIDERATIONS IN FARM REAL ESTATE TRANSFERS

William H. Scofield, and Frederick D. Stocker

Tax considerations enter into the decision that each owner of real estate, whether farm or nonfarm, must make as he approaches retirement - whether and how to dispose of his property. These considerations are important also to those who hold real estate for investment and who are constantly appraising alternative investments. Because market prices of farm real estate are now at a record high, Federal and State taxes on capital gains, estates, and gifts have assumed new importance in estate planning and management and in selection of the most advantageous method of transfer or sale of real property.

In broadest terms, three alternatives are available: (1) Retain the property until death and allow it to pass to the heirs; (2) transfer property before death to the heirs by gift or sale or; (3) sell in the open market. Knowledge of the tax implications of these alternative decisions can help both present and prospective owners to accomplish their objectives with minimum tax obligations.

The first part of this article discusses the alternatives to an open-market sale of real estate. Later sections deal with the various tax provisions that affect the treatment of capital gains when farms are sold or traded. No attempt is made to cover the many special tax situations that arise in specific cases. Instead, the purpose is to bring together in broad outline the many tax considerations that affect the transfer or sale of real estate, with particular reference to farm real estate. Reference to such Internal Revenue Service publications as the "Farmers' Tax Guide" and "Your Federal Income Tax" is advised for further explanation of specific points. Consultation with competent lawyers and tax specialists before proceeding with a particular course of action is advisable to determine the legal implications and the tax obligations that will result.

Gift and Trust Arrangements are Principal Alternatives to Open-Market Sale

Often the first thought a farmer has, when he considers retiring, is to sell out. This may appear to be the logical course, especially if his heirs are not in position to take over the farm. But it will often pay to give the matter a second thought. If he sells the farm, any excess of the sale price over the adjusted basis ^{1/} of the property becomes taxable

^{1/} The "adjusted basis" of property is ordinarily the cost to the owner, less any depreciation or amortization chargeable to the property, plus the cost of any capital improvements.

as a capital gain. Moreover, selling the farm outright may limit the opportunities open to him for reducing the amount of his estate that will be taxed at his death.

A farm owner who wishes to dispose of his property during his life-time should consider several possibilities besides outright sale, especially if he has heirs who are interested in continuing to farm. The transfer can be made as a gift, either gradually or in a lump sum; it can be partly a gift and partly a sale; or it can take the form of any of a variety of trust arrangements. Choosing the right method may mean substantial tax savings.

Sometimes, a farmer may wish to give his property to his heirs while he is still living. With proper planning, this can often be done in such a way as to reduce or even eliminate any estate tax to which at his death, the property might otherwise be subject. Gift of property makes neither the donor or the donee subject to tax on any capital gain that may have accrued in the property, except that the donee may be taxed on any capital gain realized from a subsequent sale.

Federal law places a limit on the amount of property that can be given away tax-free, but the limit is fairly generous. Gifts of present interests up to \$3,000 each year to any one person are exempt. In addition to this annual exemption, each person has a "life-time exemption" of \$30,000 against which any excess over his annual exemption is applied. Thus, for example, a man and wife who have never given away more than their annual exclusion may in one year give a total of \$66,000 worth of property to one child without tax. Thereafter, they can together continue to transfer property to their heirs by gift, so long as not more than \$6,000 goes to any one person in any one year. Even if they give away more property than is covered by the gift tax exemption, the gift tax rate is only three-fourths as high as the estate tax rate. ^{2/}

A possible disadvantage of transferring a farm by gift is that the basis of the property in the hands of the donee cannot be higher than it was in the hands of the donor, increased by any gift tax paid on the transfer. This means that, if there is a capital gain in gift property (that is, if the current value of the property exceeds its adjusted basis in the hands of the donor plus any gift tax paid on the transfer), subsequent sale of the property will subject this gain to taxation. This limitation on the basis of property transferred by gift serves also to limit the amount of depreciation chargeable by the donee on the farm buildings and equipment.

^{2/} If the donor dies within 3 years of the time of the gift, however, the gift is presumed to have been made in contemplation of death and is included in his estate, unless proof is offered to the contrary.

A variant that is sometimes appropriate for a transfer of property to heirs is the combination of gift and sale. The property is sold but at a price below its true market value. For Federal tax purposes, the difference is regarded as a gift. The advantage of this method is the opportunity it offers to utilize fully the gift tax exemption to reduce the amount of the estate that will be subject to tax at the owner's death. A taxable capital gain is realized only if the sale price exceeds the adjusted basis of the property in the seller's hand. In a transfer that is part gift and part sale, the basis of the property to the transferee, for depreciation and capital gains purposes, is the amount paid or the transferor's adjusted basis, (increased by the amount of any gift tax paid on the transfer) whichever is greater.

Greater flexibility in transferring property is possible through use of the gift in trust. For example, a farmer and his wife who wish to give up the responsibility of owning and operating the farm but who feel it necessary to retain claim to the income may give the farm to their heirs in trust, with the proviso that the income from the property be reserved to them during their lifetime. However, from a tax viewpoint, such an arrangement may be costly. The gift to the trust is subject to the gift tax, if any, at the time of transfer, and also (unless irrevocable) to the Federal estate tax at the grantor's death. However, credit is allowable against the estate tax for gift tax paid with respect to the transfer of property which is required to be included in the gross estate of the donor.

Heirs Acquire New Cost Basis
At Time of Owner's Death

Each of the methods discussed so far involves transfer of property while the owner is living - so-called intervivos transfers. Their chief advantage lies in the opportunities for avoidance of estate and inheritance taxes by reducing the amount of property that passes at the owner's death.

If the estate is too small to be subject to the estate tax, (less than \$60,000) the tax advantage often lies in holding property until death. This is the case when the current value of the farm is substantially in excess of the basis, so that a capital gain is involved. The tax law provides that when property passes at the death of the owner, the fair market value of the property at the time of the decedent's death is the basis of the property. ^{3/}

If the heirs retain the farm and continue to operate it, they have the advantage of a higher basis on which to calculate depreciation of

^{3/} However, if the property was valued as of a different date for Federal estate tax purposes, the fair market value as of that date is the basis.

buildings and equipment. But if they sell the farm immediately at a price that does not exceed its basis, they will not be taxed on any gain that accrued during the time the farm was owned by the deceased.

Allowing property to pass to one's heirs at death is the only transfer method by which the transferee can acquire a higher basis for the property, without any capital gain being subject to tax, either at the time of transfer or ever. This "step-up" of the basis may be of great significance to farmers who have held their farms for a long time and who may have accumulated large unrealized capital gains. It should be noted, too, that the advantage of this method is not limited to those farmers whose heirs plan to continue to operate the family farm. Even if they do not, there may be a tax advantage to the farmer in retaining the farm during his lifetime, bequeathing the property to his heirs, and allowing them to sell the farm.

A farmer can sometimes save estate taxes by bequeathing his property to a trust, with the income assigned to his children during their lifetime, instead of willing the property to the children directly. He can provide for the ownership of the farm itself to pass to his grandchildren on the death of the children. This method has the advantage of passing property through two generations with only one reduction because of estate taxes. The legal aspects of establishing a trust may be exceedingly complex and competent counsel is essential. Nevertheless, it permits a high degree of flexibility in passing property to one's heirs and offers solutions to many complex transfer problems, besides offering opportunities for tax saving.

It is apparent that the tax consequences of all the arrangements discussed here depend on the way in which the property is held. Transfer of a farm held by husband and wife in joint tenancy, for example, differs from transferring one that is in the husband's name alone and may result in a greatly differing tax liability. These matters lie beyond the scope of this discussion. But it is important to recognize that the tax aspects of transferring a farm to one's heirs are only one aspect of the larger problem of planning one's estate, which also requires careful attention to such matters as wills, insurance, and tenure of property.

Installment Sale of Farm Real Estate Can Reduce Taxes on Capital Gains

Because of the substantial rise in market prices of farm real estate in the last two decades, most current sales will result in capital gains that are taxable as income on Federal tax returns, as well as on many State returns. A long-term capital gain occurs when the net sale price of an asset held for more than 6 months exceeds the adjusted cost basis of the property. Determination of the adjusted cost basis which can be complex, is not discussed here. Rather, the objective is to stress the need for determining the probable capital gain before a sale is made, and to show how the installment sale can minimize tax obligations.

Federal tax law, as well as the laws of some States, permit the capital gain realized from the sale of certain classes of assets to be distributed over a period of years if certain terms of sale are met. The purpose is to relieve the taxpayer of paying taxes on gains before they are actually realized. Under Federal law half of the long-term capital gain is taxable at the same rate as other income, up to a maximum of 50 percent. Because of the graduated tax structure, recognizing a part of the gain as being received each year can reduce the total amount of tax that will be paid.

A sale of farm real estate in which the total payments in the year of sale do not exceed 30 percent of the sale price can qualify for this special treatment of capital gain. Although similar provisions apply to certain other classes of assets, the discussion here is restricted to the sale of farm real estate. The seller must receive a mortgage, note, contract, or other evidence of debt from the buyer for the unpaid portion of the sale price. If he sells or discounts such evidences of debt and thus realizes the full proceeds from the sale, it no longer qualifies as an installment sale.

Although the seller of farm property could give a deed to the property and take back a mortgage for the unpaid balance, the land contract is the legal device that is used most frequently to implement an installment sale. The contract sale differs from a conventional deed and mortgage sale in that title remains with the seller until all payments on the contract have been made or until a specified percentage of the purchase price has been paid. A portion of the downpayment, as well as of each payment made under the contract is determined to be capital gain, which must be included as a part of the income for that year. This percentage is determined by dividing the gross profit by the contract price. Thus, if a gain of \$10,000 is realized from a property sold for \$50,000, 20 percent of the initial payment, and of each subsequent payment would be capital gain.

As the total gain to be received is known at the time of sale, it is possible to adjust the term of the contract to hold the amount of gain to be received each year below the taxable level under certain tax situations. The number of exemptions and the amount of income from other sources the seller expects to receive during the life of the contract determines the minimum term of the contract needed to accomplish this objective. Under present Federal tax law, husband and wife under 65 years of age who file jointly and take the standard 10-percent deduction can receive up to \$1,325 per year tax-free. If they are 65 or over, and hence entitled to double exemptions, they can receive up to \$2,675. The amount of capital gain that they can receive in any one year without being subject to tax is twice the difference between these maximum income levels and their other taxable income. Both situations are illustrated in table 1.

The case of a husband and wife 65 or over who expect to receive \$1,500 per year from all other sources, including interest on the unpaid balance, will be used to show how the table is constructed. They can receive an additional \$1,174 per year (\$2,674-\$1,500) without being subject to tax.

If they realize a total capital gain of \$15,000 on the sale of their farm, half of this amount (\$7,500) is taxable. If this amount is received over a period of 7 years, the annual income from the capital gain is \$1,071, or slightly less than the maximum allowable (\$1,174). Thus, the total gain of \$15,000 could be absorbed as annual income without any tax being paid.

Table 1.- Minimum term of contract needed to avoid tax on capital gain under certain tax situations, by specified amount of total gain

Item	Minimum term needed if total capital gain is- <u>1/</u>			
	\$5,000	\$10,000	\$15,000	\$20,000
	Years	Years	Years	Years
Age of operator: <u>2/</u>				
Under 65 years old:				
With other taxable income of-:				
\$250-----	3	5	7	10
\$750-----	5	9	14	18
\$1,000-----	8	16	24	30
65 years old and over:				
With other taxable income of-:				
\$500-----	2	3	4	5
\$1,000-----	2	3	5	6
\$1,500-----	3	5	7	9
\$2,000-----	4	8	12	15

1/ Amounts shown are the difference between the net sales price and the adjusted cost basis. Only half of these amounts would be recognized as income.

2/ Calculations assume that husband and wife file joint returns and take the standard 10-percent deduction. Interest received on unpaid portion of the contract must be counted as a part of the "other taxable income."

Minor adjustments would be needed in the terms shown if the initial payment were larger or smaller than the subsequent annual payments. If the downpayment were larger than the annual payments specified, some tax obligation would be incurred the first year, but the annual gains received in subsequent years would be below the taxable limits. Also, no allowance is

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made for the amount of interest that would be received on the unpaid balance, which depends on the amount of the unpaid balance and the interest rate. However, it must be estimated for each situation, keeping in mind that the amount of interest to be received annually declines as each payment is made, and that changes in personal exemptions will occur when the taxpayer reaches age 65.

Beyond a certain income level, sellers cannot avoid tax on capital gains altogether, but they can adjust the terms of their "contracts" so that when annual gains are added to their regular incomes, they are not forced into higher tax brackets. Thus, married taxpayers filing jointly and having \$6,000 in taxable income currently pay 22 percent of the excess over \$4,000. They could receive up to \$8,000, and it would be subject to the same rate. The difference of \$2,000 could be received as taxable capital gains, which would be taxable at the 22-percent rate. If they received \$3,000 in taxable gains, \$1,000 of this amount would be taxed at 26 percent. ^{4/}

Exchanges of Real Estate Can Have Tax Advantages

The circumstances under which the provisions pertaining to nontaxable trades and exchanges can be applied to farm real estate are probably not as widely understood as are some other tax provisions. ^{5/} Persons who wish to sell one farm or tract in order to acquire another of a different size, type, or location can often benefit from a trade instead of a sale and purchase. A farmer or rancher who owned scattered tracts of land that were not convenient to operate could exchange such parcels for other land that was located closer to his base of operations. Farm real estate held for operation or investment can be exchanged also for city rental property.

Because the property received in a tax-free exchange acquires the same cost basis as the property owned previously, there is no tax saving if the new property is sold later. However, recognition of any capital gain in the property is postponed and this is often the main objective of the trade. A tax-free exchange might be advantageous, for example, to the owner of farmland that is in the path of an expanding urban center, for if he sold his land, it is likely that he would have to pay taxes on a large capital gain. If such land were traded for other land equally suitable for continuing farming operations, or for city rental property, recognition of the gain for tax purposes would be delayed. If the property acquired is held until death,

^{4/} A formula that may be used by a married couple, if both are age 65 and over, to compute the required number of years is as follows:

$$\text{Years} = \frac{\text{Amount of capital gain}}{2 \times (2675 - \text{other income})}$$

If both are under age 65, \$1,325 should be substituted for \$2,675.

^{5/} For a more detailed discussion of tax-free exchanges, see R. P. Jones, "Saving Money Through Tax-Free Exchanges," *Farm Management*, June 1957.

it would acquire a new cost basis as of that date. Estate and inheritance taxes are not affected by the fact that the deceased had acquired the property by a trade. If the new property were sold before death, the timing of the sale could be adjusted to the year or period in which the tax on the gains would be a minimum.

Postponement of taxes on capital gains can also conserve working capital that would be lost if a property were sold and the proceeds, less the tax on capital gains, were reinvested. If an increase in exemptions because of age, or a reduction in other taxable income is anticipated in later years, an installment sale of the property at that time could reduce the amount of taxes that would be paid eventually.

The tax-free exchange can be used also to increase the depreciation base of a property owner and thus reduce taxes on annual incomes. To illustrate, suppose Brown owns a farm that has an adjusted cost basis of \$50,000 for land and \$10,000 for buildings. Although the buildings were originally valued at \$40,000, they have been depreciated to \$10,000 and the remaining depreciation that can be taken would have a relatively low tax-reducing value. The farm has a current value of \$100,000 and can be traded for a 10-unit apartment building of like value, but \$80,000 can be allocated to the structure and \$20,000 to the land. If the farm is traded for the apartment building, the cost basis of the building and land becomes \$60,000, the same as for the farm, but 80 percent, or \$48,000, of this amount is allocated to the structure. Thus, Brown has acquired an additional \$38,000 (\$48,000 - \$10,000) in depreciation allowance that can be charged against annual incomes.

The provisions relating to tax-free exchanges are mandatory, rather than elective, and they apply to losses as well as to gains. Consequently, in some situations, particularly those in which capital losses can be taken, a trade would prove to be more costly taxwise than a conventional sale and purchase. Such possible disadvantages, as well as the advantages, should be explored carefully from the standpoint of a particular tax situation before entering into a trade.

Gain on Farm Residence not Taxable Under Certain Conditions

Persons who sell farm real estate can take advantage of the same provision concerning nontaxability of gains on farm residences as can sellers of urban residences. If another residence is purchased within one year before, or one year after, the sale, and its cost equals or exceeds the adjusted sale price of the old residence, that part of the total gain assigned to the residence is not taxable. The same provision applies if the seller starts construction of a new dwelling within 1 year before or after the sale of his old residence and occupies it within 18 months after the sale. Many retiring farmers buy a house in town or a smaller retirement place and thus qualify for this tax provision. It applies also to the residence on another farm which the seller may buy if he occupies it; it does not apply if the residence is occupied by the farm tenant or other renter.

Because the residence on a farm is seldom priced apart from the land and service buildings, both the purchase price and the sales price of the residence must be estimated to determine the nontaxable part of the total gain. ^{6/} The allocation of values for the three classes of assets usually sold as a unit is illustrated in the following tabulation:

Asset	: Purchase : price	: Adjusted : cost basis	: Net sales : price 1/:	: Capital : gain
Land-----	\$10,000	\$10,000	\$21,000	\$11,000
Farm buildings-----	6,000	3,000	3,500	500
Residence-----	4,000	5,000	8,500	[3,500]/
Total-----	20,000	18,000	33,000	15,000

^{1/} Selling expenses would be prorated proportional to the values assigned.

As land is not depreciable, its adjusted cost basis cannot be less than its cost, but it could be higher if certain types of land improvements had been made. The farm buildings are depreciable, however, and the adjusted cost basis reflects both permanent improvements and allowable depreciation. The dwelling is not a part of the farm business for tax purposes, hence its adjusted cost basis is its cost plus permanent improvements that may have been made. No allowance can be made for depreciation. In this illustration, \$3,500 of the total capital gain of \$15,000 on the property has been allocated to the residence. The taxable gain would be reduced to \$11,500 if another residence costing \$8,500 or more were acquired within the periods specified earlier.

Although market values of farm service buildings have not increased as much as the price of land in recent years, farm residences have shared in at least a part of the general increase in values of urban residences. This is true particularly in rural areas close to urban centers and those having good transportation facilities. Market forces tend to place values on farmhouses that are comparable to those placed on similar houses in town. Prices paid for entire farms have increasingly reflected such market values for farmhouses.

^{6/} Few guides for determining the market value of a farm dwelling are available. Sales of comparable property in the community and in nearby towns, or a "replacement cost-less-depreciation" approach are two possible valuation methods. Another method is valuation by a competent appraiser.

A person who buys or acquires a farm can largely avoid the subsequent problem of valuing the farm residence if he allocates to the dwelling its share of the cost at the time of purchase. It is easier to make a reasonable estimate then than years later when the property is sold. Keeping accurate records of capital improvements made on the dwelling, as well as on the service buildings, also will help materially to establish the adjusted cost basis.

Capital Gains on Condemnation Sales
Receive Special Tax Treatment

The expanded Federal highway program, particularly the Interstate system, will require several million acres of land for new rights-of-way and for the widening of existing highways. This will affect thousands of owners of rural land in that a part or all of their individual holdings will be taken under eminent domain. A sale of property under condemnation action, under threat or imminence of such action, or by negotiation with the agency acquiring the right-of-way, receives special tax treatment. In general, if the seller spends an amount at least equal to his proceeds from such a sale to buy other real estate within a certain time period, any gain that may be realized is not subject to tax at that time. The time period in which the replacement property must be acquired begins with the date on which the property owner was first notified that his property would be taken. It ends one year after the close of the first tax year in which any part of the gain is realized.

These provisions with respect to gains realized from involuntary conversions of real property are similar to those that apply to tax-free trades and exchanges. In both instances, the recognition of taxable gain is postponed, rather than avoided. If the cost of the replacement property is the same as the payment received for the converted property, the cost basis of the replacement property is the same as for the property given up. Thus, the full amount of any gain would be subject to tax if the replacement property were sold later. Although special rules apply when the amount spent for replacement property is less, or more, than was realized from the involuntary conversion, they do not alter this general rule.

Many property owners receive severance damages in addition to compensation for the land actually taken for rights-of-way. Such payments compensate the property owner for the loss in market value of the remaining land that results from increased operating expenses or reduction in net income owing to parcelization of his farming unit. That part of the total award received that is identifiable as severance damages is applied to offset costs in the following order: (1) The proportionate share of expenses of obtaining the award for severance damages, (2) special assessments, if any, levied for benefits to the retained property, and (3) expenses of restoring the retained property to its former use. Any balance that remains is used to reduce the basis of the retained property. If the balance exceeds the basis of the retained property, the excess is taxable gain.

Rights-of-way in rural areas usually require only a part of the land owned by an individual. In such instances of partial takings, the nonrecognition of gain applies only to proceeds from the land actually taken, even though the owner may sell the rest and replace it with other land. For example, assume that the owner receives \$5,000 for 15 acres taken from a 160-acre farm which has an adjusted cost basis of \$16,000, or \$100 per acre. If the land taken had the same cost basis per acre as the entire farm, the capital gain on the part taken would be \$3,500 (\$5,000-\$1,500). Within the time period specified, he sells the remaining 145 acres for \$30,000 and buys another farm for \$35,000. His cost basis for the part of the farm sold would be \$14,500 (145 acres x \$100), and the capital gain of \$15,500 (\$30,000-\$14,500) would be taxable. However, as he has reinvested the \$5,000 received for the right-of-way, the gain of \$3,500 on this portion would not be taxable, but it would reduce the cost basis of the replacement farm to \$31,500 (\$35,000-\$3,500). Thus, the full gain from the right-of-way sale would be taxable if the replacement farm were sold later.

Harry Selck, who farmed in the Mississippi River Valley of Iowa, was forced to quit farming after being crippled by arthritis. He had often thought about the high injury rates caused by cornpickers and how to prevent them. Now that he had retired, he had more time to work on the problem. After watching an amputee work with his new arm appendage, Harry got busy and invented an unclogging tool that has promise of preventing many cornpicker accidents in the future. The tool is made from an iron pipe about 24 inches long, with a picker attachment at one end and a metal guard about 6 inches from the other end - to keep the hand from being drawn between the picker rolls. The invention was described in "On Iowa," v. 32 No. 6, Nov.-Dec. 1957, a periodical published bimonthly by the State University of Iowa, Iowa City.

FINANCING FARMLAND TRANSFERS

Paul L. Holm

About 175,000 farms, or parts of farms, were sold in the United States in the year ended March 1, 1958. Two-thirds of these transfers were financed with some form of credit, that is, the buyer did not pay the full purchase price with funds already at his disposal. 1/ In these credit-financed transfers, the buyer could acquire the balance of the purchase price by one or more of the following methods:

- (1) Borrow the funds from a lender other than the seller, offering land as security;
- (2) Borrow the funds with a personal note, or a chattel mortgage, secured by nonreal property;
- (3) Borrow no funds, but give the seller a contract or a vendor's lien, or purchase-money mortgage for the unpaid balance.

In 1958, a third of the buyers paid for the land with funds they controlled before the transfer. About 30 percent of the buyers were financed by the seller, the third method listed above. The rest of the buyers, about two-fifths, borrowed funds from some lender other than the seller, using either of the first two methods listed above, or combinations of them.

Each year since the 12 months ended March 1, 1948, more than half of the purchases of farmland have been credit-financed. 2/ The proportion credit-financed has trended upward since estimates were started in 1944 and has varied among areas of the country (fig. 1). In 1958, it ranged from less than 60 percent of total sales in the Appalachian, Southeast, and Northern Plains regions, to more than 75 percent of all sales in the Lake States and Western regions (fig. 2).

Debt-price ratios

Annual changes in the average amount of debt as a percentage of the purchase price are small, but longer term trends are evident. Nationally, the

1/ This article is concerned primarily with financing of those transfers of farmland that occur in the open market. The financing of intrafamily transfers and capital improvements represent related, but separate, areas.

2/ Most of the material in this article that relates to actual sales of farm real estate is based on an analysis of a sample of about 10,000 sales of farm real estate reported by dealers, and others familiar with the farm real estate market, in mail surveys conducted each March. Reporters provide detailed information for each sale, including sales price, terms of financing, type of buyer and seller, source of credit, and other items. These data are summarized by States, farm-production regions, and major type-of-farming areas, which follow crop-reporting district boundaries.

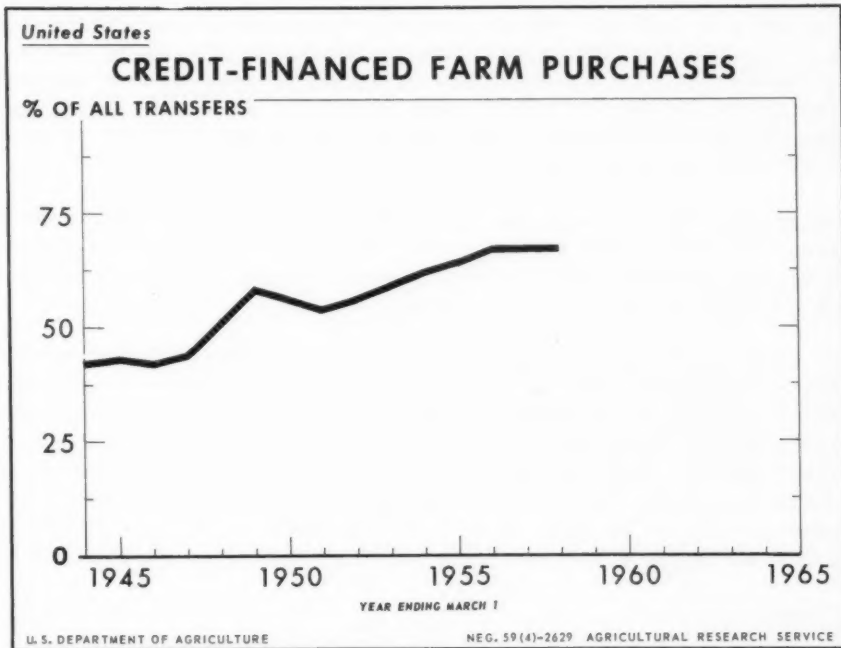


Figure 1

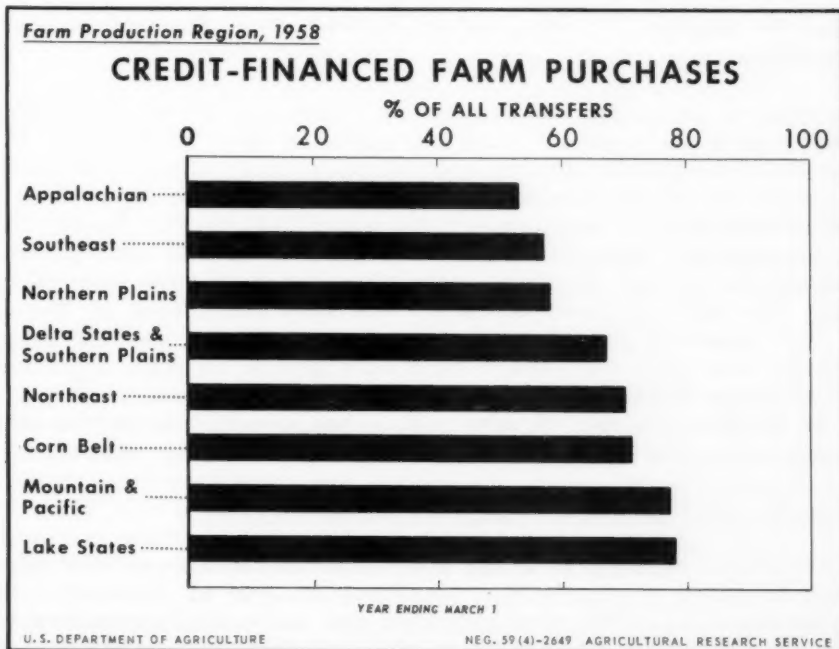


Figure 2

average debt ratio for all credit-financed transfers declined from nearly 70 percent in 1941, the first year of record, to about 55 percent in 1951. Since then, the ratio has trended upward and in the 12 months ended March 1, 1958, it was 64 percent. The variation in the ratio among regions has been relatively small. Transfers in the Corn Belt have shown the lowest debt ratios, less than 60 percent, for several years. The highest ratio for any region has not exceeded 70 percent in recent years.

Not all borrowers need the same amount of credit relative to the purchase price. In 1958, about a fourth of all credit-purchasers, borrowed less than half of the purchase price while nearly a third incurred debts equal to 75 percent or more of the purchase price.

The high incidence in the use of credit in the farmland market shows that credit occupies an important role in acquiring the use and control of land. Credit acts as a catalyst in the transfer of ownership by making ownership possible sooner than would be the case if the buyer were forced to save an equivalent amount from current earnings before making the purchase. Credit performs this catalytic function in at least two types of open-market transfers - those in which the buyer acquires farmland to be operated as a complete farm unit and those in which farmland is to be added to existing farms.

Types of Transfers

Transfers of tracts of land that were to be complete farm units made up about three-fifths of all transfers in 1958. About 75 percent of these transfers were credit-financed. Although the total dollar amount of the credit used is unknown, it represented 60 percent of the purchase price of the properties.

In recent years, many thousands of commercial farmers have found that their operating units contained too few acres of land in relation to their other resources to permit them to operate most efficiently. About 2 percent of the farmers in the United States enlarged their units in 1958 by adding land, and nearly half of them bought the additional land. These purchases for farm enlargement represented about 40 percent of all land purchases. Nearly two-thirds of the purchases were financed with some form of credit. Nationally, the debt incurred was about the same proportion of the purchase price as that incurred for purchases of complete farms, but differences between areas were present. Where farm enlargement is most important, as in the Wheat and Corn Belt areas, such transfers have a lower debt ratio than transfers of complete farms. However, in areas in which enlargement is of lesser importance, the enlargement sales have higher debt ratios.

Sellers Are an Important Source of Real Estate Credit

Nationally, sellers were the most important source of new credit to finance the transfer of farmland, regardless of type of transfer. In the 12 months ended March 1, 1958, they provided all the credit necessary to finance 43 percent of the credit-financed transfers of farmland. Their share of financing has increased steadily since estimates of credit source were first made in 1955. At that time, they financed about a third of the credit-transfers of farmland.

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Information for a sample of farm properties on the market shows that at the time they were listed for sale, the proportion of sellers who were willing to finance the sale of their land was greater than the proportion that actually did finance the transfer. ^{3/} In the year ending March 1, 1958, more than half of the prospective sellers in most areas were willing to finance the buyer (table 1). The proportion was a little lower in the 2 preceding years.

Table 1.- Selected characteristics of farm properties listed for sale, by type-of-farming areas, 1957 and 1958 ^{1/}

Type-of-farming area	Properties with terms of sale specified				Percentage of properties with-	
	As	Percentage that would be				
	percentage	financed by-			Seller	An
	of all			Seller	willing to	existing
	properties	Seller	Other	and	consider	mortgage
listed for sale:		lender	other	lender	contract	
	Percent	Percent	Percent	Percent	Percent	Percent
Eastern dairy-----	64	31	44	25	16	44
Lake States dairy-----	78	61	21	18	60	43
General farming-----	72	56	25	19	40	37
Eastern Corn Belt-----	72	39	45	16	34	45
Western Corn Belt-----	68	46	41	13	38	45
Spring wheat-----	74	67	12	21	69	41
Winter wheat-----	69	47	35	18	27	46
Eastern cotton-----	63	58	22	20	26	42
Central cotton-----	80	65	18	17	52	43
Western cotton-----	66	44	38	18	31	36
Northern range						
livestock-----	81	63	14	23	65	55
Southern range						
livestock-----	72	64	17	19	52	51
California specialty---	82	73	12	15	42	44

^{1/} Based on information supplied by farm real estate dealer-reporters in mail surveys conducted in March of each year. Each dealer-reporter was asked to supply information about the five farm properties most recently listed for sale by him or by his firm.

^{3/} For the last 3 years, farm real estate dealer-reporters in surveys conducted each March have been asked to select five of the most recent listings of farm property they or their firm offer and to provide certain items of information about each property, the seller, the terms of sale, and the price asked. The dealer, acting as the seller's agent, often finds it advantageous to offer tentative terms of sale to a prospective buyer. Thus, for properties listed with dealers, terms may be specified prior to sale in a higher proportion of cases than is true for sales that do not involve a dealer. Accordingly, the figures showing the extent to which terms are specified prior to sale may be higher than those for all properties sold.

In each of the 3 years, nearly a fifth of the listings called for a part of the credit to be supplied by some other lender and part by the seller. Sales data show that it was not necessary for all of these sellers to participate in the financing, as only 5 percent of the credit-financed transfers in recent years were financed by a combination of two or more lenders.

The variation between regions in the proportion of sellers who were willing to finance the transfers was similar to the regional variation in the proportion of sellers who actually did finance. Seller-financing was most frequent in the Lake States and western regions, in which three-fifths or more of all credit-transfers were financed by the seller (table 2). About a

Table 2.- Percentage distribution of credit-financed farm purchases, by specified lenders, farm production regions and United States, March 1, 1958 ^{1/}

Region	Credit-financed farm purchases						
	Percentage of all purchases	Percentage financed by-					
		Sellers	Commercial banks	Insurance companies	Federal land banks	Other sources	Total
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Northeast-----	70	27	44	2	14	13	100
Corn Belt-----	71	34	17	29	6	14	100
Lake States-----	78	60	11	11	5	13	100
Appalachian-----	53	26	33	13	11	17	100
Southeast-----	57	38	25	5	14	18	100
Delta States-----	66	52	8	12	5	23	100
Southern Plains----	67	33	11	22	12	22	100
Northern Plains----	58	41	7	21	15	16	100
Mountain-----	76	61	5	12	10	12	100
Pacific-----	77	67	7	5	7	14	100
United States-----	67	43	17	15	9	16	100

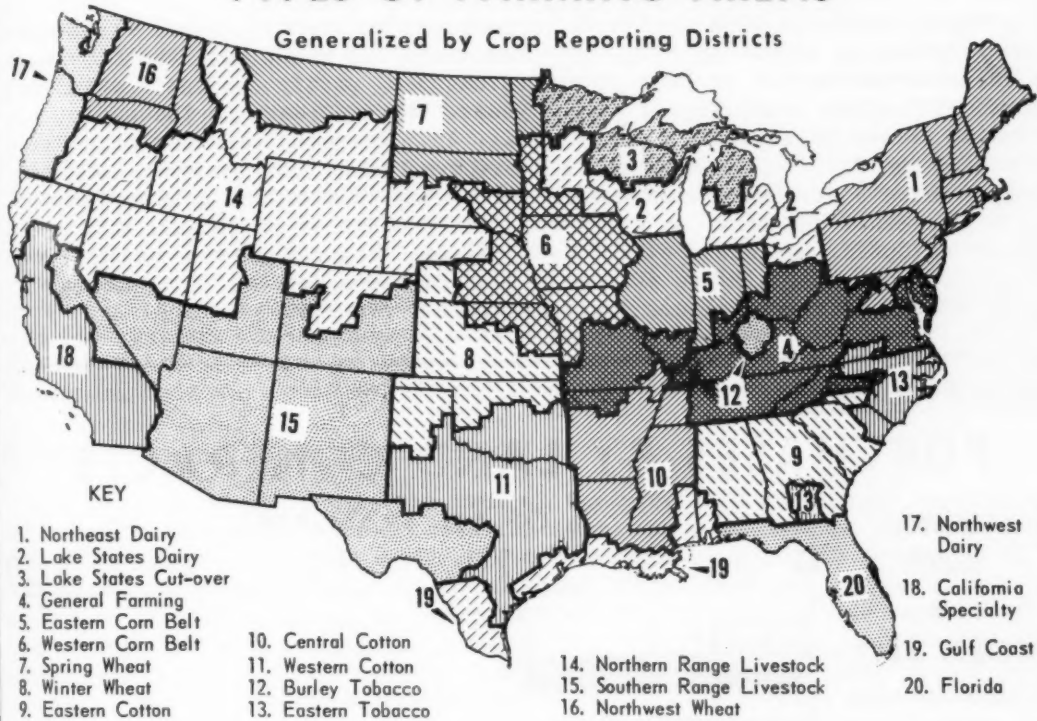
^{1/} Based on a sample of sales of farm property reported by farm real estate dealers and other reporters in a March 1958 survey. Most of the sales probably took place during the 6 months preceding the date of the survey.

third of the credit-transfers in the Corn Belt and Southern Plains were seller-financed, but only a fourth of the transfers in the Appalachian region were financed in this way. In all areas, the proportion of sellers willing to finance the transfer exceeded those who did finance.

Sales data suggest that nonfarmer sellers may have financed sales of land more frequently than did farmer sellers in 9 of 13 major type-of-farming areas in which this relationship was examined. However, the difference was significantly higher than would be expected from sample variations in only two of the nine areas. These were the general farming and spring wheat areas. (See figure 3 for a map showing the major type-of-farming areas used in this analysis). Farmer-sellers financed buyers more frequently in the remaining

TYPES OF FARMING AREAS

Generalized by Crop Reporting Districts



U. S. DEPARTMENT OF AGRICULTURE

NEG. 57 (1)-110 AGRICULTURAL RESEARCH SERVICE

Figure 3

areas - eastern dairy, winter wheat, western cotton, and northern range livestock - but the difference was no more than could be expected owing to sampling variation.

Land Contracts Important Means of Seller-financing

Possibly from half to two-thirds of the sales financed by sellers involved land contracts rather than conventional mortgages. A contract sale differs from a deed and mortgage sale mainly in the fact that legal title remains with the seller until all payments on the contract have been made, or until a specified percentage of the total price has been paid.

Under the typical land contract, the buyer makes only a small downpayment or none at all, borrows no money, and his debt obligation is in the form of periodic payments toward the purchase price including interest on the unpaid balance. If he defaults on a payment, the full amount of the contract

may become due. If it is not paid, he may lose both the downpayment and the subsequent payments that he may have made.

Land contracts were used to finance about 20 percent of all landownership transfers in 1958. In 1946, the proportion was about half that large. The increase in the use of land contracts has been partly responsible for the increase in seller-financing in recent years. The increase in the use of contracts varies appreciably by areas (fig. 4). Largest increases have occurred in the Corn Belt, Lake States, Northern Plains, and Mountain regions. However, sales contracts are used less frequently in the Corn Belt and South than in the other regions. An all areas, the proportion of sellers who would consider accepting a land contract in 1958, was larger than the proportion who sold on contract. In the spring of 1958, dealers reported that about half of the prospective sellers would consider a contract.

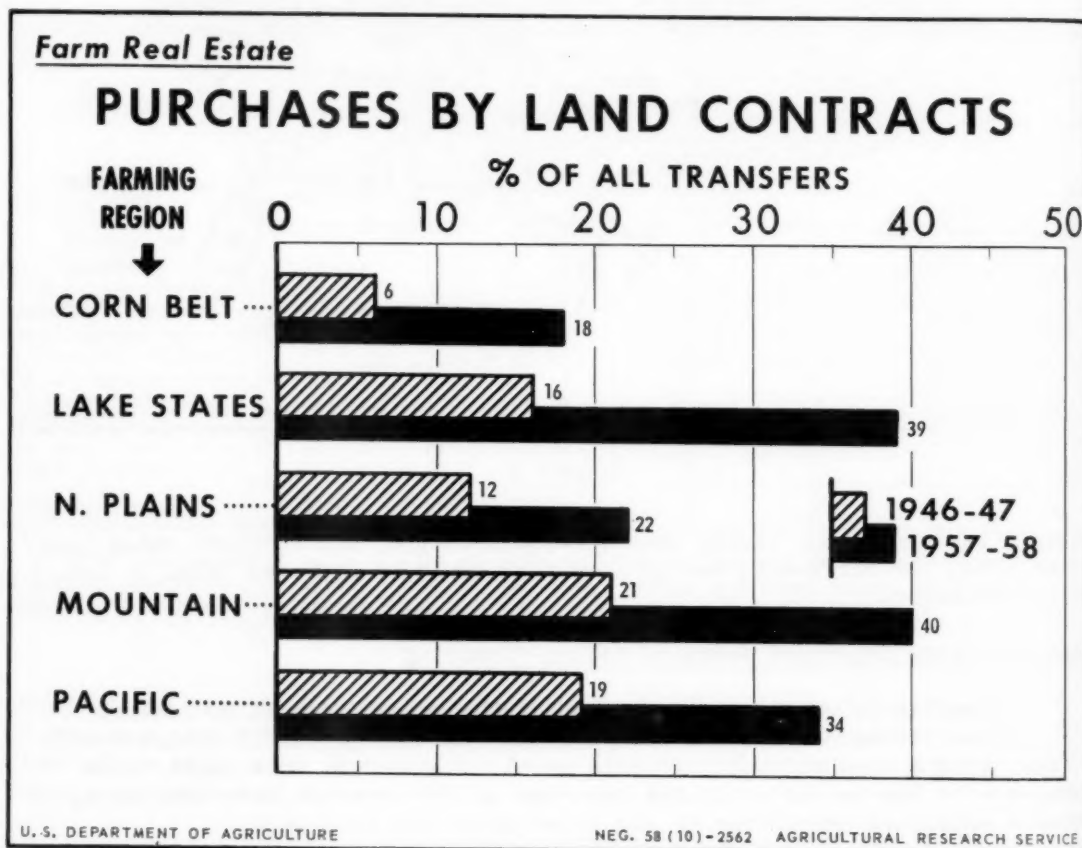


Figure 4

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In some areas, the high incidence of seller financing may indicate the reluctance of institutional lenders to make farm mortgage loans in amounts sufficient to meet the needs of potential buyers with limited cash for downpayments. A seller who is under pressure to make a sale or who is personally acquainted with the buyer and considers him a good personal risk, is frequently willing to accept a lower downpayment than are other lenders. The land contract is a convenient way of effecting the transfer under these conditions, as downpayments are usually less than under conventional mortgage financing. Buyers, particularly those who are beginning farmers with insufficient capital for conventional mortgage financing, find the feature attractive. As a low downpayment is required, a larger part of the buyer's capital is available for other uses. Sellers find that the land contract has certain tax advantages in periods of rising land values, such as the last 20 years. If the total payment received in the year in which the property is sold (downpayment plus annual payments) does not exceed 30 percent of the purchase price, the sale may qualify as an installment sale. In many instances, this will ease tax payments on capital gains. ^{4/}

Seller Often Sets the Terms of Sale

Sellers often specify the general terms of sale acceptable to them at the time the properties are offered for sale. This may amount to a simple determination that he, the seller, must receive all cash with the buyer financing the total amount. In an effort to facilitate the transfer, the seller or his agent may go one step further and get a tentative commitment from a lender who is willing to finance the transfer, if the buyer needs such assistance. If the seller has no definite need or plans for use of the money, he may be willing or may prefer to finance the sale himself, particularly if he considers the farm he is selling to be a desirable investment for his funds. He would thus avoid the problem of locating alternative investments for the proceeds of the sale. In these situations, the buyer may be obliged to accept a credit-financed transfer if he wants a particular piece of land, even though he may be able to make a cash purchase.

The 1958 sample of farm listings shows that the terms of sale were specified for nearly three-fourths of the properties offered. However, it was not learned how firm these terms may have been nor the extent of the dealers' influence in setting them. The proportion was nearly the same for each of the 2 previous years and no marked and consistent regional variation was evident in the proportion of properties that had terms specified.

The presence of an existing mortgage on the land offered for sale could affect the kind of terms set. If the land were free of debt, the owner could offer a wider range of terms than if the land were already mortgaged. In each of the last 3 years, about two-fifths of the properties listed for sale already had existing mortgages. However, the specifications of terms was not

^{4/} See "Tax Considerations in Farm Real Estate" pp. 7 to 17, for a discussion of the tax aspects of contract sales.

associated with the mortgage status of the land in 10 of 11 of the major type-of-farming areas in which this relationship was tested. ^{5/} In the western cotton area, the number of nonmortgaged properties that had terms of sale specified occurred with more frequency than could be attributed to sample variation. The results of these tests suggest that the seller's specification of terms of sale is independent of the debt status of the land prior to sale in a majority of the land transfers handled by dealers in 1958.

Three Leading Institutional Lenders Finance 40 Percent of Buyers

The seller is not always able or willing to finance the sale of his land. If the buyer needs credit, it must be provided by some other lender. The most important of these lenders are commercial banks, insurance companies, and Federal land banks. In the 12 months ended March 31, 1958, commercial banks financed 17 percent of all credit sales. Commercial bank loans were most frequent in the eastern and southern areas of the country. Nearly half of the credit purchases in the northeastern dairy area were financed by local banks. The general farming and tobacco areas also showed a relatively high frequency of financing by banks. However, in most farming areas west of the Mississippi River, banks financed less than 10 percent of all farm transfers.

In all except two of the major type-of-farming areas, the proportion of bank loans made to farmer buyers and to nonfarmer buyers did not differ significantly from the distribution of loans by all lenders to these two types of buyers. In the winter and spring wheat areas, the number of bank loans made to nonfarmer buyers exceeded the number expected. ^{6/}

The tendency for farm purchasers to use bank credit more frequently in the eastern and southern areas than elsewhere probably arises chiefly from the fact that most farms in these areas are relatively small. Most land transfers in these areas can be financed with relatively small loans and on short terms. These are types of loans that banks are well able to handle. Some additional factors operate in the Northeast. Banks in this area typically hold large savings deposits, which provide an appropriate basis for investment in farm mortgages. The fact that dairy and poultry farming predominate in the Northeast may also contribute to the importance of bank financing in this region. Good management is probably more essential to success in these types of farming than in most other types, and local lenders are in a favorable position to appraise the quality of management.

^{5/} The presence of association or interaction was determined, using the chi-square distribution with chi-square computed from an R x C table under the hypothesis of independence. The border totals were used to determine the expected numbers and chi-square was tested at the 95 percent level of confidence.

^{6/} The test was made using the chi-square distribution with one degree of freedom at the 95-percent level of confidence. Expected numbers were based on the distribution of all farmer and nonfarmer buyers using credit, at the type-of-farming area level.

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Insurance companies are almost as important as local banks in providing funds for the purchase of farmland. They provided funds to finance 15 percent of the transfers last year. Both local banks and insurance companies have gradually declined in relative importance as a source of credit with which to buy farmland. In the 12 months ended March 1, 1955, they financed 20 and 19 percent, respectively, of the transfers. Traditionally, insurance companies have been most active in those areas in which loans are large and risk is relatively low. The Corn Belt, winter wheat, and central and western cotton areas show the highest proportion of farm purchases financed by insurance companies. The general farming area is the only area in which a significant differential appears in the frequency with which farmers and nonfarmers borrow from insurance companies. In this area, farmer borrowers made up a larger share of insurance company borrowers than did nonfarmer borrowers, relative to the distribution of all loans.

The other primary institutional source of farm real estate credit, the Federal land banks, financed about a tenth of the ownership transfers requiring credit in the 12 months ended March 1, 1958. Land bank loans for this purpose are least frequent in the northeastern dairy, general farming, southern range, and western farming areas. Although the Federal land banks made about 18 percent of all farm mortgage loans during the period, the proceeds of many of these loans were used to refinance existing mortgages or other indebtedness, with no change in ownership, rather than to buy farm real estate. Active farm operators made up about the same proportion of Federal land bank borrowers as they did for all lenders in all areas except the Northeast dairy. In that area, the proportion of borrowers who were active farm operators was significantly larger for land banks than for other lenders.

Some transfers each year are financed by other lenders, but in the aggregate, their portion seldom exceeds a fifth of all transfers requiring credit. The most important single source in this group is individuals other than the seller. In each of the last 4 years, they financed about a tenth of the transfers. Combinations of two or more lenders seldom account for more than 5 percent, while miscellaneous sources financed the rest.

The analysis of the type of buyer and the credit source suggests that institutional lenders in most areas are as willing to extend loans to nonfarmers as to farmers for the purchase of farm real estate. No doubt, the value of the security offered and its earning capacity are more important in determining whether or not credit will be extended than is the type of buyer.

Variation in the amount loaned in relation to the total purchase price is found among lenders. ^{7/} Individual sellers extend the largest amount of

^{7/} Many purchasers of farm real estate can offer the land they already own as additional security for the land they purchase. Thus, the amount of debt as a percentage of the purchase price for each purchase is higher than the ratio of this debt to the value of the farm real estate security.

credit. In each of the last 4 years, the average debt on seller-financed sales has exceeded two-thirds of the average sale price. In the 12 months ended March 31, 1958, debt amounted to 71 percent of the sales price. This high level of debt results partly from the fact that nearly all of the sales on contract, most of which have a high debt ratio, are made by this group.

Among the other more important lenders, loans by commercial banks represent a higher percentage of the sale price than loans by insurance companies or by the Federal land banks. The differences among institutional lenders are much smaller than those between such lenders and individual sellers. Because of the high variability in individual debt-sales ratios, the differences among the averages for lender groups may not be statistically significant. The amount loaned by commercial banks averaged about 55 percent of the sale price in recent years, while insurance company loans had debt ratios closer to 50. The average ratio for Federal land bank loans was between the ratios for bank and insurance company loans.

Nearly 115,000 transfers of farm real estate were financed with some form of credit last year. Some of the factors that influenced the use of credit in these transfers have been discussed. Although some of the relationships presented were based on observations from only one year's data, many of them will continue to be present in the farm real estate market in the next few years.

"The Farm Family Looks at Life Insurance," revised edition prepared by the Institute of Life Insurance in cooperation with a special committee from the Federal and State Extension Services, Institute of Life Insurance, 488 Madison Avenue, New York 22, New York, July 1957, 31 pp. The purpose of this booklet is to give farmers a better understanding of life insurance and to show them how to get the greatest benefits from policies they now own and those they may purchase in the future. The booklet explains the four basic policies: (1) Term insurance; (2) straight life policies; (3) limited-payment life; and (4) endowment policies. These five pointers are given to policyholders and their beneficiaries: (1) Keep policies in a safe place, (2) read the policies, (3) let the life insurance company know of any change in address, (4) talk over the life insurance program with the family or other dependents, and (5) review the program at least every 2 years.

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CROP AND LIVESTOCK INSURANCE IN BRAZIL ^{1/}

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Rio de Janeiro

This is the fourth in a series of articles on foreign crop insurance that have appeared in the Review. Previous articles dealt with (1) Wind-storm Insurance on Bananas in Jamaica, (2) Canadian Prairie Farm Assistance Act, and (3) Puerto Rico Coffee Insurance. It is hoped that these articles will prove helpful in connection with existing or proposed crop insurance programs in this and other countries.

Crop and livestock insurance was established in Brazil by Federal Law 2168, January 11, 1954. The law authorized the Executive Branch to organize the Companhia Nacional de Seguro Agricola (CNSA), a semigovernmental agency, to develop an insurance program in the Commerce Department. It provided, among other things, (1) an initial capital of approximately \$1,000,000 (U. S. equivalent) divided into 100,000 shares of \$10 each. These shares were reserved as follows: for the National Treasury, 30,000; for semigovernmental companies that deal with crop and livestock insurance, 50,000; and for private insurance companies, 20,000. It provided also (2) that the Reinsurance Institute of Brazil should operate as reinsurer and establish all technical aspects of the reinsurance operations. On April 28, 1954, the President of Brazil, by Decree 35409, approved the rules and regulations of CNSA and authorized it to begin operations.

The types of insurance presently offered may be classified, according to the protection given, into four groups: (1) Insurance on the life of animals (multiple-peril insurance of cattle); (2) insurance on harvest (crop insurance on wheat, cotton, and rice); (3) single-crop insurance on both production and the life of trees or plants (on coffee and grapes); and (4) multiple-crop insurance of both harvest and the life of a wide variety of crops,

^{1/} In an attempt to make the article more meaningful to readers in the United States, quantities in Brazilian units have been converted to equivalent United States units of measure on the following basis:

100 cruzeiros = \$1; 1 hectare = 2.471 acres; 1 meter = 39.37 inches;
and 1 kilogram = 2.205 pounds (1 bushel of wheat = 60 pounds = 27.21 kilograms).

vegetables, and fruits. Under (4), various loss computations are used to fit the different crops included under one contract.

The insurance listed under (1), the wheat insurance listed under (2), the coffee insurance listed under (3), and the multiple-crop insurance listed under (4) are covered in this report.

The first crops were insured in 1955. About a third of the premium income so far has been from wheat, a third has been from wine grapes, and a fourth has been from livestock. To date, very little insurance has been sold on rice, cotton, and coffee. The multiple-crop insurance program is just getting underway.

The main risk in connection with the production of rice is drought. The only policies sold have been in central Brazil, where dryland rice is grown. The principal insured risk on cotton is hail. Boll weevil is not covered. The chief risk associated with growing coffee is frost.

The crop insurance program is entirely voluntary. The insurance agent gets a commission equal to 5 percent of the premium collected.

Cattle (multiple-peril) Insurance

The purpose of this insurance is to indemnify the insured for the loss of an animal if death is caused directly by accident or results from most diseases and infections.

Premium rates are classified and subclassified as follows:

(1) Utilization

- (a) Purebred
- (b) Beef
- (c) Dairy
- (d) For work

(2) Care given

- (a) Confined in stalls
- (b) Partly confined (in and out of barn)
- (c) Always on pasture

The rates for animals aged 1 to 10 years are shown in table 1.

Wheat (crop) Insurance

As in the United States, this insurance operates as a guarantee. It indemnifies the insured for the difference between (1) his coverage and (2) the valuation of his production (at the predetermined price specified in the policy), provided the loss is a direct result of excess rain, frost, hail, drought, windstorm and, in general, any meteorological cause, fire started by lightning, or grasshoppers.

Rates do not vary among farms of the same productivity class in the same region; but each farm has a separate coverage. The premium rate is a higher percentage of coverage for poor farms than for the better farms. To obtain insurance, a farmer must apply for it and must have an inspection made of his farm.

Table 1.- Cattle: Rate as percentage of insurance, by utilization and care groupings

Utilization	Care		
	Confined in	Partial	On
	stalls	confinement	pasture
	Percent	Percent	Percent
Purebred-----	5.2	5.7	7.3
Beef-----	6.5	7.2	9.4
Dairy-----	6.6	7.3	9.5
Work-----	2.5	2.7	3.6

Example: Premium for one year on a beef animal, insured for \$100, if always confined to a stall, would be \$6.50 (or \$100 x 0.065).

The insurance remains in force until the harvested grain is removed from the field. The policy applies to all wheat seeded for commercial grain under one ownership. An insurance unit, therefore, may include the shares of the insured in wheat crops on other farms.

The coverage and premium rate for an individual farm is determined by the following factors (their use is illustrated later):

A. By inspection (table 2)

1. Type of cultivation

- a. Entirely mechanized
- b. Semimechanized
- c. By hand

2. Soil

- a. Proper soil for wheat
- b. Improper soil

B. By location (table 3)

Based on statistical studies, coverage and rate indexes are assigned to each county to reflect the average yield and yield variability for sample farms during a specified base period. These index numbers are used as multipliers.

Both the base coverage and the premium rate per acre are the same for all farms in a county under the same type of cultivation and having the same class of soil. Each is the product of a figure from table 2 multiplied by a figure from table 3.

C. Yield level for individual farm during base period.

The base coverage per acre is adjusted to reflect a conservative yield level for the individual farm. This adjustment may reduce the farm coverage per acre to as little as half the base coverage; and it cannot increase the farm coverage per acre to more than the base coverage.

Table 2.- Wheat: Basic unitary production per acre and premium rate (as percentage of coverage), by type of cultivation and class of soil

Type of cultivation	Class of soil			
	Proper		Improper	
	Basic unitary production:	Premium rate	Basic unitary production:	Premium rate
	(1)	(2)	(3)	(4)
	Bushels	Percent	Bushels	Percent
Entirely mechanized-----	0.744	4.0	0.521	3.8
Semimechanized-----	.669	3.5	.461	3.4
Hand labor-----	.595	3.0	.402	3.0

Example

Suppose an inspection of an applicant's farm shows that it is conducted as a mechanized operation on "proper" soil. It is assigned a basic unitary production of 0.744 bushel of wheat per acre and a premium rate index of 0.04. (See table 2.)

Suppose, further, that the farm is located in the county of Cacapava do Sul in the State of Rio Grande do Sul. This county carries a production index of 12.0 and a rate index of 1.3. (See table 3.)

The base coverage for this farm is 8.928, then, bushels per acre (or 0.744×12.0). This figure is subject to downward adjustment, but it cannot be increased. Suppose the adjustment for individual experience results in no change in the base coverage. The premium rate is 0.052 (or 0.04×1.3).

On the basis of these assumptions and a fixed price of \$2.72 per bushel, the coverage and premium applicable to 100 acres of wheat are calculated below:

Coverage

In bushels . . . 8.928 bushels x 100 acres = 892.8
 In dollars . . . 892.8 bushels x \$2.72 = \$2,428.42

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Premium

In bushels . . . $0.052 \times 892.8 \text{ bushels} = 46.43$
 In dollars . . . $46.43 \text{ bushels} \times \$2.72 = \$126.29$

If a peril insured against should reduce this farmer's production to 600 bushels, his indemnity would be based on 292.8 bushels (or 892.8 minus 600). He would be paid for this many bushels at the predetermined price of \$2.72 per bushel. Therefore, his indemnity would be \$796.42 (or $\$2.72 \times 292.8 \text{ bushels}$).

Table 3.- Wheat: Index numbers applicable to basic unitary production per acre and premium rate (as percentage of coverage), by counties, State of Rio Grande do Sul

County	Index of-	
	Production	Rate
	(1)	(2)
Alegrete-----	9.9	1.7
Antonio Prado-----	10.7	1.6
Arroio do Meio-----	12.7	2.5
Bage-----	13.4	1.1
Cacapava do Sul-----	12.0	1.3

Coffee (tree) Insurance

This insurance indemnifies the insured for loss of coffee trees or harvest caused by excessive rainfall, drought, frost, hail, windstorm, fire started by lightning, and, in general, any meteorological cause. Claims are payable on individual trees, regardless of total production on aggregate acreage. 2/

The maximum coverage is represented by the "conventional" value of the coffee tree, a figure which is established separately by tree ages for 4 locations or zones (table 4). All plants existing in the same ditch are considered

2/ Thus a percent-damage or crop-hail type of coverage applies, as offered by commercial companies on other crops. This is true also of the insurance on grapes. Under the other (guarantee) type of coverage, which applies to wheat, rice and cotton, all owned acreage must be considered together in the payment of a claim. A farmer may not claim an indemnity on part of his acreage. If his farm production falls below his coverage, he is paid an amount equal to the deficit valued at the fixed price per bushel.

Table 4.- Coffee trees: Maximum coverage per tree, by location and age

Location or zone	Age (years)				
	2	3	4	5	More than 5
	Cents	Cents	Cents	Cents	Cents
1-----	4.0	5.5	7.0	8.5	10.0
2-----	7.0	9.0	11.0	13.0	15.0
3-----	8.0	11.0	14.0	17.0	20.0
4-----	12.0	15.0	18.0	21.0	25.0

as one tree. An insurance unit consists of all trees at least 2 to 3 years of age in their permanent ditches belonging to the insured, and it may include his share in the coffee plantations of others.

Premium rates are classified and subclassified as follows (table 5):

(1) Region

(a) Counties subdivided into four regions

(2) Type of cultivation

(a) Proper shade and effective protection against wind

(b) Plantations other than those coming under (a) above

Table 5.- Coffee trees: Premium rates as percentage of insurance, by type of cultivation and region

Type of cultivation	Rate region			
	1	2	3	4
	Percent	Percent	Percent	Percent
Plantations with proper shade and: effective wind protection-----	2.9	3.2	5.5	8.5
Other-----	3.1	3.6	6.5	10.0

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Example

The coverage and premium applicable to 40,000 coffee trees, 6 years old, located in a county within coverage zone 3; and rated as having "improper" shade and/or without effective wind protection and as being in rate region 4, would be as follows:

$$\text{Coverage} = 40,000 \times 0.20 = \$8,000. \text{ 3/}$$

$$\text{Premium} = \$8,000 \times 0.10 = \$800. \text{ 4/}$$

Adjustment of Losses

Losses are settled on the basis of percentage of damage (as in the case of crop-hail losses in Brazil and in the United States). The coverage multiplied by the percentage of damage gives the amount of the indemnity. The following shows the maximum percentages that apply, according to varying degrees of damage:

	<u>Maximum percentage of damage</u>
Damage occurring between the first and second blossoms, with a possi- bility of recovery of the harvest-----	25
Damage occurring during last blossom, with partial loss of harvest-----	30
Damage affecting permanent parts of tree and resulting in complete loss of:	
One harvest-----	40
Two harvests-----	75
Three harvests-----	100
Tree-----	100

If a freeze occurs during the last blossoming of the insured trees, causing partial loss of the current harvest, the indemnity is based on a percent-damage determination, which may not exceed 30 percent. If appraised at the maximum of 30 percent, the indemnity would amount to \$2,400 (or 30 percent of the \$8,000 coverage).

^{3/} Maximum coverage of 20 cents per tree is from table 4.

^{4/} Premium rate of 10 percent of insurance comes from table 5.

Multiple-Crop Insurance 5/

The multiple-crop contract is intended as a simple plan of complete crop insurance for small farms. Therefore, the insurance applies to a wide variety of crops, vegetables, and fruits - cotton, rice, wheat, lettuce, spinach, tomatoes, pineapples, oranges, peaches, and so forth. The large variety of crops included was necessary in providing complete farm coverage. To obtain the insurance, a farmer must be producing at least two of the designated crops. 6/ The amounts of insurance available are too low for large acreages, and the higher rates for such acreages are intended further to discourage its use on the larger farms.

The multiple-crop insurance contract covers loss owing to freeze, hail, windstorm, lightning, or fire. Drought is covered only if it causes the loss of the plant or tree. 7/ The insurance goes into effect 15 days after the policy date, if within the normal growing period.

The premium applicable to 16 acres (6.5 hectares) of two or more crops, located in the State of Rio Grande do Sul and insured for the maximum coverage of \$500 under a multiple-crop contract, would be \$24, or $0.048 \times \$500$. (See table 6.) This farm coverage is not allocated by crops.

The purpose of the multiple-crop insurance in Brazil, as in the United States, is to include all of the insured crops in any loss settlement, with the idea that good yields on some crops might offset somewhat the poor yields on others. Thus indemnity payments would be reduced and, thereby, the farmer's premium outlay. In this way, the insurance operates as a guarantee in connection with all crops combined.

In general, a computation of loss is made for each crop. It is (1) the "valuation" of the crop, multiplied by (2) the percentage damage. Each of these terms is defined differently for the annual crops (wheat, rice and cotton) than for the perennials (coffee and grapes). A more precise definition of terms is given in the example that follows. The amount payable to the farmer is then, the sum of these loss computations for all insured crops, subject to the ceiling established by the maximum farm coverage elected.

5/ Because of language difficulties and the time element involved, the AFR committee accepts any responsibility for error in the description of loss-adjustment procedures under the multiple-crop plan. Mr. Speers did not have an opportunity to check the details, which are presented here as they are understood by the committee.

6/ To have a crop included, along with others, under a multiple-crop policy, it must occupy at least 0.62 acre (2,500 square meters) or consist of enough plants to occupy that minimum area.

7/ All of the other plans cover drought as a cause of loss.

Table 6.- Multiple-crop insurance: Premium rate as percentage of coverage, by coverage levels and by size of insured acreage ^{1/}

Size of insurance unit in-		Farm coverage		
Acres	Hectares	\$200	\$400	\$500
		Percent	Percent	Percent
Not more than 12.3-----	Not more than 5.0-----	<u>2/</u> 5.0	<u>2/</u> 4.5	<u>2/</u> 4.0
12.4 to 14.8-----	More than 5 but not exceeding 6-----	5.5	4.95	4.4
14.9 to 17.3-----	More than 6 but not exceeding 7-----	6.0	5.4	4.8
17.4 to 19.8-----	More than 7 but not exceeding 8-----	6.5	5.85	5.2
19.9 and over-----	More than 8-----	<u>3/</u>	<u>3/</u>	<u>3/</u>

^{1/} For the States of Ceara, Rio Grande do Norte, Paraiba, Pernambuco, Alagoas, Sergipe, and Bahia all rates are 25 percent higher than those shown.

^{2/} Base rate.

^{3/} For each hectare (2.471 acres) or fraction thereof in excess of 5, 10 percent of base rate is added to the base rate.

Example of Loss Settlement Under Multiple-Crop Contract Involving Wheat and Coffee

A. Computation for wheat

Aggregate cash expenses-----	\$300	Income from harvested wheat-----	\$400
Income from wheat before		Normal or average production	
crop damage occurs-----	\$100	on insured acreage-----	367.6 bu.
Valuation of crop-----	\$200	Fixed price per bushel-----	\$2.72

"Normal" income (367.6 bushels x \$2.72 per bushel)-----\$1,000

$$\begin{aligned}
 \text{Amount of loss} &= \text{Valuation of crop} \times \text{percentage damage} \\
 &= \$200 \times (1 - \text{percentage recovery}) \\
 &= \$200 \times \left[1 - \frac{\$400}{\$1,000} \right] \\
 &= \$200 \times .60 \\
 &= \$120
 \end{aligned}$$

B. Computation for coffee trees

Cash expenses to date on coffee-----	\$1,000
Aggregate income to date from coffee-----	\$200
Valuation of coffee trees-----	\$800

Percentage of damage, based on physical count (See schedule shown in connection with single-crop coverage on coffee.)-----0.75

Amount of loss = Valuation of trees x percentage damage
 = \$800 x 0.75
 = \$600

C. Total amount of loss

On wheat-----	\$120
On coffee trees-----	\$600
Total-----	\$720

D. Amount payable

Total amount of loss (\$720) or maximum farm coverage elected, whichever is less.

A farmer who elected \$500 as his maximum farm coverage would be paid that amount, as it is less than \$720.

To a great extent, the program in Brazil is patterned after the one in the United States. For example, the plan for cotton, which is not discussed elsewhere in this report, includes "progressive" coverage, under which a lesser amount of insurance applies in case of early loss of the crop. Thus the insurance is more or less limited to the investment in the crop up to the time of loss. If a crop is lost within 30 days after sprouting, up to 20 percent of the maximum coverage applies; if lost between 31 and 60 days after sprouting, up to 30 percent of the maximum coverage applies, and so on. However, unlike the plan used in the United States, hail insurance on the plantation may be included in the policy for an additional premium.

In closing, it should be mentioned that the program in Brazil is still in the development stage. It is being operated on a limited scale in the hope that experience will point the way to a successful operation.

The reader who is familiar with the crop insurance program in the United States will notice that an indemnity on field crops (wheat, cotton and rice) is settled in Brazil in much the same way as a loss would be settled on these crops in this country (rice is not insured here except under the multiple-crop policy). In both countries, the single-crop contract on all field crops operates as a guarantee, and the farmer's claim is settled on the basis of the

difference between (1) the guaranteed coverage in dollars and (2) his actual production, valued at a fixed price.

In Brazil, a claim on coffee and grapes is settled on a percentage damage basis, as in the case of Federal crop insurance on tree crops (citrus fruit and peaches), and like a hail loss on growing crops would be settled by private insurance companies in both countries.

In the United States, one type of multiple-crop policy specifies a single loss adjustment covering all insured crops, so that the high production of one crop offsets the low production of another. Each is valued at its own fixed price per unit, so that the valuation of combined production may be compared with the composite dollar coverage to determine the indemnity payable, if any. Another type of multiple-crop policy specifies individual loss settlements, by crops. No rate reduction is given. In both instances, a guarantee-type coverage applies. As the multiple-crop policy in Brazil differs substantially from either of the multiple-crop policies used here, Mr. Speers has given special attention to the provisions of his country's policy. -The AFR Committee.

The New York State College of Agriculture, Cornell University, Ithaca, has recently issued two insurance publications. In one, "Life Insurance for Farm Families," by Smith and Hedlund, Ext. Bul. No. 1002, April 1958, are listed two main reasons why people buy life insurance: (1) As protection against loss of income in case of premature death; and (2) as an investment for use at some future date. In the other, "Insurance in the Farm Business," by Smith and Tabb, Ext. Bul. No. 1003, undated, is pointed out, among other things, that a decision as to amounts and kinds of insurance to be purchased is largely one of making the best use of available funds in attaining the greatest degree of security. In developing a practical program, investments in the farm business must, of course, be weighed against investments in insurance.

THE FARMERS HOME ADMINISTRATION AND ITS BORROWERS

Russell W. Bierman and Betty A. Case

An important supplement to private and cooperative agricultural credit is provided in the loans of the Farmers Home Administration. About 194,000 farmers used FHA credit in 1958, and the total outstanding at the end of the year was about \$1,010 million. This compares with a total agricultural debt exclusive of CCC loans of \$20.3 billion on the same date. The Farmers Home Administration is unique among agricultural lenders in that it makes loans only to farmers who are unable to obtain adequate credit on reasonable terms from other lenders.

The purposes of this article are (1) to show some of the major characteristics of farmers who borrow from the Farmers Home Administration, (2) to compare FHA borrowers with borrowers from such lenders as production credit associations, commercial banks, Federal land banks, and life insurance companies, and (3) to compare FHA borrowers with farmers in general.

The primary objective of the Farmers Home Administration is to assist farmers who are unable to obtain credit from other sources to become successfully established in farming so that within a reasonable period they will be able to operate without further credit assistance from the Government. By the use of supervised credit and technical assistance, the Farmers Home Administration helps farmers who for such reasons as low income, low net worth, youth, the necessity of making substantial adjustments in their operations, or lack of technical know-how, are not served adequately by private and cooperative lenders. Only a small proportion of low-income farmers are able to receive FHA assistance. The extent of the FHA program is determined largely by annual appropriations, and this article does not attempt to appraise the total need for, or the adequacy of, this program.

This article looks at such questions as, Are FHA borrowers mainly young farmers who are just starting farming and have low assets and incomes? Or are they chiefly older farmers who have not been able to obtain adequate resources or who have temporary need for Government credit? Do FHA borrowers in general have lower net worths than production credit associations and commercial bank borrowers? Does the Farmers Home Administration operate a sort of small-loan program, giving borrowers just enough to get by and letting bigger loans go to private lenders? Is the Farmers Home Administration developing a hard core of chronic borrowers unacceptable to private lenders, or do their borrowers "graduate" to private or cooperative credit?

The data on the Farmers Home Administration discussed in this article were obtained in a cooperative survey conducted in 1956 by the Farm Economics Research Division, Agricultural Research Service, and the Farmers Home Administration. The data are for June 30, 1956; they pertain to active borrowers only, and represent information obtained from a random sample of borrowers

in each FHA county office in the continental United States. 1/ On that date, the Farmers Home Administration had 177,000 borrowers, exclusive of about 3,000 in Hawaii, Puerto Rico, Alaska, and the Virgin Islands. Included in the sample were 25,000 borrowers.

For comparative purposes, this article also uses data on other lenders obtained in other surveys. The survey of Farmers Home Administration borrowers completes a series of surveys made in 1956 of the loans and borrowers of major agricultural lenders. 2/ The Federal Reserve System made a study in 1956 of farm loans and farm borrowers of insured commercial banks. In the same year, the Farm Credit Administration surveyed production credit association borrowers. The Farm Economics Research Division, ARS, and the Farm Credit Administration cooperated in a survey of Federal land bank loans, and the Farm Economics Research Division, ARS, made a survey of farm-mortgage loans of 17 life insurance companies.

In general, a farmer is eligible for a loan from the Farmers Home Administration if:

- (1) He is unable to obtain adequate credit from other lenders at reasonable terms;
- (2) He is a citizen of the United States and of legal age;
- (3) He has good character; and
- (4) He has the necessary experience or training and managerial ability to operate a family-type farm.

1/ Borrowers of the Farmers Home Administration are classified in three general groups - active, collection-only, and judgment. The data in this article are for active borrowers only; they are borrowers the Farmers Home Administration is currently assisting. Collection-only borrowers, in general, are those whose loan accounts are in process of liquidation. Judgment borrowers are those against whom the Farmers Home Administration holds unsatisfied court judgments.

2/ See "Farm Loans at Commercial Banks," Federal Reserve Bulletin, November 1956, "Farm Loans to Finance Intermediate Term Investments," Federal Reserve Bulletin, January 1957, "Farm Loans for Current Expenses," and "Loans to Buy Farm Real Estate," Federal Reserve Bulletin, February 1957, and "Interest Rates on Farm Loans," Federal Reserve Bulletin, March 1957; "PCA Members and Their Loans," Bulletin CR8, Farm Credit Administration, May 1957; Betty A. Case, "Farm-Mortgage Loans Held by Life Insurance Companies," ARS 43-58, October 1957, U. S. Department of Agriculture, Washington, D. C.; Russell W. Bierman and Betty A. Case, "Farm-Mortgage Loans of the Federal Land Banks," ARS 43-86, December 1958, U. S. Department of Agriculture, Washington, D. C.

The Farmers Home Administration makes five general types of loans:

- (1) Operating loans are made primarily to help farmers obtain livestock and machinery and pay operating expenses. In 1958, operating loans excluding emergency loans were made to 74,500 farmers in the amount of \$176 million.
- (2) Emergency loans are made to assist farmers in areas severely affected by adverse weather or other conditions. Most emergency loans are made to pay operating expenses and for the purpose of this report emergency loans are classified with operating loans. In 1958, 20,200 farmers received \$60 million in emergency loans.
- (3) Farm-ownership loans are made for the purchase of farms, farm enlargement, and for farm improvement by providing water, basic soil and land improvements, and necessary buildings. Under this program, \$62.5 million was loaned to 4,750 farmers in 1958. Of this amount, \$35.5 million represented loans made by private or cooperative lenders under FHA insurance.
- (4) Farm-housing loans are made to build and repair farmhouses and other essential farm buildings. In 1958, loans totaled \$52 million and were made to 7,450 farmers.
- (5) Soil and water conservation loans are made to help farmers or associations of farmers carry out soil conservation practices, install irrigation and drainage systems, develop permanent pastures, and for similar purposes. In 1958, loans were made to 660 individuals in the amount of \$5.1 million, of which \$2.5 million was loaned by private or cooperative lenders under the insured loan program.

The Farmers Home Administration had 176,650 active borrowers on June 30, 1956 (table 1). About three-fourths of all borrowers had operating loans, and these loans accounted for about half the money outstanding. Fifty-seven percent had adjustment loans made chiefly to acquire enough livestock and equipment for an adequate family-type operation or to adjust production, for example, by changing from cash-crop to general or livestock farming. Twenty-four percent had emergency loans. One-fourth of the borrowers had farm ownership loans that represented 37 percent of the loan balances outstanding. These data, however, do not measure the demand for various types of loans for FHA funds are limited by appropriations and are not necessarily available in proportion to demand.

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CHARACTERISTICS OF BORROWERS AND LOANS

Age

As a rule, FHA borrowers are younger than other farmers and younger than farmers who borrow from insured commercial banks or from production credit associations (table 2). Younger farmers have had less time to accumulate assets or build up their incomes; they may be poorer credit risks and less acceptable to other lenders. For example, 15 percent of all farmers were under 35 in 1954. But of all FHA borrowers in 1956, 27 percent were under 35. This compares with 18 percent for borrowers from production credit associations and 17 percent for borrowers from commercial banks. Only 3 percent of the FHA borrowers were 65 and over, whereas 8 percent of the PCA borrowers and 17 percent of all farmers were in this age group.

Approximately 29 percent of the amount of all FHA loans outstanding was owed by borrowers under 35; two-thirds was owed by borrowers from 25 to 44 years of age (table 3). The average amount owed per borrower was highest for those aged 25 to 44. The same general relationship between age and average amount of debt was found for borrowers from production credit associations (table 4).

The situation was essentially the same for borrowers with commercial bank loans. Although the average debt per borrower became higher as age increased, this was associated with increased equities in livestock, equipment, and real estate. Older farmers usually have a higher net worth. However, within the same net worth group, borrowers under 45 had larger debts.

FHA borrowers who have various types of loans differ significantly as to age (table 5). Approximately a third of the adjustment loan borrowers were under 35 and two-thirds were under 45. These adjustment loans are chiefly intermediate-term loans used to buy machinery and livestock; they are more likely to be needed by younger farmers. As the farmer becomes established and pays off his loans, he soon reaches a point at which he can obtain credit from other lenders. Special livestock loans have the highest proportion of older borrowers; this was a small special program initiated in 1953 during a severe drought to help livestock producers who were temporarily unable to obtain credit elsewhere and loans were not limited to family-type farms. As in other emergency programs, the proportion of older farms participating was higher than for the regular loan programs. The longer term real estate loans, such as farm-ownership, farm-housing, and soil and water conservation loans, also had larger proportions of farmers in the upper age groups than did the adjustment loans. Perhaps one of the chief factors here is that it takes a farmer longer to repay a real estate loan down to a point at which it may be refinanced with another lender, especially if he borrows heavily each year for operating expenses. As a result, he may have a real estate loan long after he is using private or cooperative lenders for operating loans.

Tenure

One-fourth of the FHA borrowers had farm-ownership loans in 1956, and two-thirds of its borrowers were owners (tables 1 and 6). By way of comparison, 76 percent of all farmers were classified as owners in the 1954 Census of Agriculture; the proportion likewise was 76 percent for PCA borrowers in 1956 and 69 percent for farm borrowers of insured commercial banks.

The tenure differences between FHA, PCA, and commercial bank farm borrowers are due probably to the generally higher incomes and better financial position of owners as compared with tenants. The proportion of borrowers who were landlords was higher for both production credit associations and banks. Landlords are eligible to receive certain types of FHA loans such as farmhousing and soil and water conservation loans.

Because real estate loans are larger than those made for other purposes, the average debt per FHA borrower was higher for full owners. They owed an average of \$5,780, which compares with \$4,720 for part owners and \$3,370 for tenants (table 7).

The percentages of FHA borrowers who were owner-operators on June 30, 1956, by type of loan received, are as follows:

Type of loan	Owner-operators
	Percent
Operating:	
Adjustment-----	59
Emergency-----	55
Special livestock-----	75
Total operating 1/-----	58
Farm-ownership-----	98
Farm-housing-----	93
Soil and water conservation-----	87
All borrowers 2/-----	66

1/ Includes annual loan and other operating loan borrowers.

2/ Includes other real estate loan borrowers.

Ninety-eight percent of the farm-ownership borrowers were owner-operators. Most of the farm-housing and soil and water conservation loans also were made to owner-operators. Only 59 and 55 percent of adjustment and emergency loan borrowers, respectively, were owner-operators.

Net Worth

Net worth was generally lower for FHA borrowers than for borrowers from production credit associations and insured commercial banks. For any

given amount of net worth, the average amount of debt was higher for FHA than for PCA or bank borrowers. PCA borrowers, on the average, had higher net worths than borrowers from banks. As FHA loans are limited to farmers who cannot obtain adequate credit elsewhere, it would be expected that they would be concentrated in the lower net worth groups. The differences between production credit associations and banks in regard to borrower net worth are consistent with the fact that the average debt per borrower is higher for production credit associations than for banks.

There is considerable overlapping in regard to characteristics of FHA, PCA and commercial bank borrowers, and farmers with low net worths are not left completely to the Farmers Home Administration. Twenty-one percent of all FHA borrowers had net worths of less than \$3,000, while the proportion was 13 percent for commercial bank and 7 percent for PCA borrowers (table 8). But farmers with net worths of, say, \$10,000 to \$24,999 are not exclusively PCA or commercial bank borrowers. Part of the reason for the use of FHA credit by farmers with medium to high net worths is that many FHA borrowers require amounts of credit that are relatively high when compared with their net worths. In addition, the Farmers Home Administration has emergency credit programs to provide credit during periods of natural or economic disasters, and it has pioneered in the making of certain types of nonemergency loans, such as those for farm adjustments, farm housing, and soil and water conservation. Also, net worth is not always a good guide to the financial position of a farmer and his ability to obtain credit. Such factors as income and liquidity of assets may affect his ability to borrow from a bank or a production credit association.

The average debt per FHA borrower tended to increase as net worth increased (table 9). However, the amount of debt was a smaller ratio to net worth when net worth was high. Again, these relationships are an indication that debt may reflect size of farm and operators of large farms can use more operating credit. Also, debts owed chiefly by owners (farm-ownership, farm-housing, and soil and water conservation loans) are larger than debts owed by tenants (tables 8 and 19), while owners in general have average net worths higher than those of tenants.

The average amount of total debt per FHA borrower in any net worth group was higher than the total per borrower from production credit associations and insured commercial banks (table 10). A major reason for this is that many FHA borrowers obtain both real estate and non-real-estate loans from that agency. The usual security for a PCA loan is a chattel mortgage or crop lien, and many bank borrowers obtain their real estate credit elsewhere. An additional and important reason is that farmers who require loans that are unusually high in relation to their net worths, assets, incomes, or security are probably able to obtain credit only from the Farmers Home Administration. With close supervision of borrowers, the Farmers Home Administration can make loans that are relatively high.

When operating loans only are considered, the same general relation between average amount of loan and net worth is found (table 11). For FHA, PCA and bank loans, the average operating debt per borrower increased as net worth

rose. For any given amount of net worth, however, the average operating debt per borrower was higher for the Farmers Home Administration than for production credit associations and higher for production credit associations than for commercial banks. The average debt was related more closely to net worth for PCA and bank borrowers. The data are consistent with the view that, compared with production credit associations, banks prefer loans that are smaller in regard to the farmer's net worth. The data are consistent also with the idea that net worth or a farmer's financial position at the time of making a loan are less important in FHA lending than other things. The main idea is to set up the borrower on an adequate family-sized farm with the expectation that as he makes progress he will obtain more and more of his credit from private and cooperative lenders.

When FHA borrowers are divided into two groups - those having net worths of less than \$10,000 and those having net worths of more than \$10,000 - some striking differences are seen by type of loan (table 12). A little less than 75 percent of all emergency and adjustment borrowers and more than 60 percent of the farm ownership borrowers had worths of less than \$10,000. But from 52 to 70 percent of the borrowers having special livestock, farm-housing, and soil and water conservation loans had net worths of more than \$10,000.

Net worth may be related to such characteristics of FHA borrowers as age, tenure, and income. About 83 percent of FHA borrowers under 25 had net worths of less than \$7,500, and only 7 percent reported net worths of \$10,000 or more. In the group aged 45 to 64, about 35 percent reported \$10,000 or more of net worth, but there was some tendency for net worth to be lower for farmers 65 and over. Similarly, income is positively associated with net worth. Only about 17 percent of the borrowers with net worths of less than \$3,000 reported gross cash incomes in 1955 of \$5,000 or more. But when the net worth ranged from \$10,000 to \$24,999, about two-thirds had \$5,000 or more in income and about one-fifth had incomes of \$10,000 or more. Owner-operators consistently had higher net worths than tenants. About half of the tenants reported net worths of less than \$3,000 while the proportion so reporting was only 10 percent for full-owner operators and 8 percent for part owners.

Income

In 1955, a little more than half of all FHA borrowers had gross cash incomes from all sources, including total sales of farm products, of less than \$5,000 (table 13). However, more than 10 percent reported gross incomes of \$10,000 or more. The average amount of outstanding debt per borrower rose as gross income increased. Borrowers with less than \$2,500 in income owed an average of \$2,310; when gross income was \$10,000 or more, the average debt was \$8,380. Although debt increased as income rose, the ratio of debt to income was lower when income was higher.

The farmers with larger operations are probably able to use effectively more credit than operators of the smaller farms and they have

the income to support the larger debt. But by using credit, a farmer is able to enlarge his farm, expand production, and increase his income. Owner-operators tend to have the largest gross incomes, and the average debt for owners is higher because many had used FHA real estate credit to enlarge, improve, or buy farms.

In 1955, adjustment and emergency loan borrowers had smaller incomes than other borrowers (table 14). Fifty-five percent of the adjustment, 64 percent of the emergency, and nearly half of the farm-ownership borrowers had incomes of less than \$5,000. Farm-housing, soil and water conservation, and special livestock borrowers had higher incomes. They were more likely than adjustment or emergency borrowers to be owner-operators, and owner-operators generally had higher incomes than tenants.

The association of tenure and gross cash income for FHA borrowers is definite, although both owner-operators and tenants are found in all income groups. Approximately 47 percent of the owner-operators had gross cash incomes of less than \$5,000 in 1955 and only 12 to 13 percent had incomes of \$10,000 or more. Some 63 percent of the tenants reported gross cash incomes of less than \$5,000 and 7 percent reported \$10,000 or more. Because gross income for a tenant (or a part owner) excludes the landlord's share of production when share rent is paid, a smaller gross income for a tenant is not due entirely to a smaller scale of operation.

Age and income are related also, with farmers in the middle age groups having higher incomes than farmers who were either younger or older. For example, less than 30 percent of the farmers under 25 had gross incomes of \$5,000 or more. But nearly half of those in the 25 to 44 year age groups had incomes this large, while the proportion was about 36 percent for those 45 to 64 years old. Approximately 20 percent of the FHA borrowers who were 65 years old or older had \$5,000 or more in gross cash income.

Type of Farming

Both the Farmers Home Administration and insured commercial banks reported that more than 40 percent of their borrowers operated general farms (table 15). The similarity of these two lenders is seen also for most other types of farming. General farming was less common for borrowers from production credit associations. Nearly a fifth of the PCA borrowers had livestock farms while only 25 percent had general farms.

Livestock, dairy, and poultry farms are likely to require more credit than cotton and other cash-crop farms because of the larger investment in livestock, buildings, and equipment. The average FHA borrower who operated a livestock farm owed \$6,360, which compares with \$4,650 for a cash grain farmer and \$3,930 for a cotton farmer (table 16). Some of these differences result because farm-ownership loans are more common among livestock and dairy farmers than among cash-crop farmers. FHA farm-ownership borrowers are more likely to be livestock or dairy farmers than are tenants, while tenants are

more likely to be cash-crop farmers. Livestock and dairy farmers also require more operating credit. The average amount outstanding of all operating loans (including emergency and special livestock loans) was \$5,410 for livestock farmers, \$3,850 for dairy farmers, \$3,780 for cash grain farmers, and \$2,650 for cotton farmers.

Amount of Debt Per Borrower

Operating loans, including loans with which to buy livestock and equipment, are the most common type of loan obtained by farmers who borrow from banks, production credit associations and the Farmers Home Administration. About three-fourths of the FHA borrowers had operating loans. Most PCA borrowers obtained loans for operating purposes - less than 20 percent had loans for other purposes. Less than 10 percent of the farm borrowers from insured commercial banks obtained loans with which to buy farm real estate while more than 90 percent had only loans for "current expenses," "intermediate-term investments," and similar purposes.

Of the commercial bank borrowers who did not have loans with which to buy farmland, 21 percent owed less than \$250, 38 percent owed less than \$500, and 57 percent owed less than \$1,000 (table 17). This is in marked contrast to PCA borrowers - 37 percent of whom owed less than \$1,000 - and with FHA operating loan borrowers, of whom only 24 percent owed less than \$1,000. The data indicate that banks are the most convenient and widely used source of credit for farmers who require relatively small amounts of credit. One reason is that some 35 percent of all bank loans for current expenses were made unsecured and unendorsed; for loans for intermediate-term investments such as buying livestock and machinery, 16 percent were unsecured and unendorsed. In contrast, only 14 percent of the PCA loans were unsecured, and all loans of the Farmers Home Administration were secured in some way. In addition to having lower security requirements, banks are able to offer the quick and convenient service that would attract borrowers needing only small amounts of credit. Many banks probably prefer small farm loans because they do not require intensive investigation or supervision.

The following tabulation shows the average amount of debt outstanding for borrowers on June 30, 1956, by source and type of loan.

<u>Source and type of loan</u>	<u>Dollars</u>
Federal land bank-----	4,840
Seventeen life insurance companies' farm real estate loans-----	10,840
Production credit associations-----	3,420
Insured commercial banks:	
To buy farmland-----	5,320

Dollars

Insured commercial banks: (Continued)

Other farm loans-----	1,920
All farm loans-----	2,230
Farmers Home Administration:	
Operating loans:	
Adjustment-----	3,080
Emergency-----	2,180
Special livestock-----	11,430
All operating loans 1/-----	3,210
Farm-ownership loans-----	7,290
Farm-housing loans-----	4,570
Soil and water conservation loans-----	3,740
All borrowers 2/-----	4,830

1/ Includes annual and other operating loans.

2/ Includes other real estate loans.

The average debt per borrower was \$1,920 for commercial bank borrowers who did not have loans with which to buy farmland. The average for PCA borrowers was \$3,420 and the average for all FHA operating loan borrowers was \$3,210. These averages again illustrate the dominance of commercial banks in the field of small farm loans. They may also indicate that PCA and FHA borrowers obtain a larger proportion of their operating credit requirements from the lender than do commercial bank borrowers.

Life insurance companies made the largest farm real estate loans. Outstanding farm real estate loans of 17 life insurance companies averaged \$10,840 on June 30, 1956; they reflect the tendencies of most companies active in the field to favor the larger loans and the areas in which the larger loans can be made. The total bank debt of insured commercial bank borrowers who obtained loans with which to buy farm real estate averaged \$5,320. FHA farm-ownership loan borrowers had an average farm-ownership loan balance of \$7,290. The Farmers Home Administration has some limits on the upper size of loan, it cannot, for example, make a loan in any county for the purpose of buying a farm whose value exceeds the average value of efficient family-type farms in the county. The effect of this limit on size of debt would be offset, at least partly, by the policy of not making loans to buy farms that are too small for efficient operation and by making loans up to 100 percent of the value of the farm purchased. Federal land bank borrowers had an average indebtedness of only \$4,840. At the time of the 1956 survey and for a considerable period previously, only a small proportion of land bank loans were made for the purchase of farm real estate. The bulk of the money loaned was to be used to refinance debts or pay for improvements. Of the land bank borrowers, 39 percent had loans obtained in 1950 or earlier, and a large part of the original amount of these loans had been repaid by 1956.

Date of Loan

There is no evidence that the Farmers Home Administration is developing a permanent "hard core" of borrowers who are unacceptable to other lenders and must be continually supplied with Government credit. Instead, the data indicate that the opposite is true. Of all active FHA borrowers with loans outstanding on June 30, 1956, one-fifth had obtained their first outstanding loan in 1956 (table 18). More than half obtained their first outstanding loan in 1954 or later, while only one-fifth of the active borrowers had loans obtained in 1950 or earlier. The survey did not obtain data on the extent to which borrowers may have had previous loans which were repaid or refinanced and so were not outstanding on June 30, 1956. It is believed, however, that the extent of these previous loans was small, and that the date of the earliest loan outstanding on June 30, 1956, represents fairly accurately the date the borrower first participated in the program.

It seems likely that most of the borrowers whose first outstanding loan goes back to the 1940's were farm-ownership borrowers. These loans were made for terms up to 40 years, but about half the loans made by June 30, 1956, had been repaid by that date. However, it would normally be expected that as a borrower made progress he would first obtain his operating credit from a bank or production credit association and later pay off or refinance his real estate loan. Of the 43,000 farm-ownership loan borrowers, 22,000 had no other type of FHA loans. Most other FHA borrowers obtained their first loan after 1950. About 80 percent of the emergency borrowers had their first loan in 1955 or 1956, while the proportion for adjustment borrowers was 34 percent.

A comparison of FHA farm-ownership loans and farm real estate loans of the Federal land banks and life insurance companies shows that, on the average, FHA loans were older loans. Probably, this was due to the fact that more farm-ownership loans were made in the early forties than in any other period. Fifty-four percent of the farm-ownership loans outstanding on June 30, 1956, were made in 1950 or earlier. But only a third of the insurance company loans and 39 percent of the land bank loans were as old as this (table 19).

REGIONAL DISTRIBUTION

The regional distribution of loans of the Farmers Home Administration reflects the types of loans and the needs of farmers for the types of credit offered. Soil and water conservation loans, for example, were concentrated in the Great Plains, Mountain, and Pacific States (table 20). This reflects both the need for irrigation loans in the Western States, and the fact that irrigation loans have been available in 17 Western States since 1937. The present soil and water loan program was extended to the entire country in 1954.

Emergency loans were heavy in the Great Plains States; and special livestock loans were concentrated in the Southern Plains and Mountain States.

The droughts of the early fifties created a need for special emergency financing of farmers and ranchers that could not be met by private and cooperative lenders.

Annual operating loans were concentrated in the Appalachian and Southeastern States, while adjustment loans were numerous in the Appalachian, Southeastern, Delta, and Southern Plains States. In these areas, farmers have the continuing problem of either increasing their scale of operation or of making substantial changes in their operations.

Generally speaking, FHA loans tend to be concentrated in areas in which the proportion of tenancy is high and in which a large percentage of the farms sell only small quantities of farm products. This is shown in the case of real estate loans. A little less than a fifth of all farms are in the Corn Belt, where 25 percent of the farmers were tenants and 41 percent of all farms sold \$5,000 or more of farm products in 1954 (table 21). But only 12 percent of all FHA borrowers and 12 percent of FHA farm-ownership borrowers were in the Corn Belt in 1956. However, the five Corn Belt States had 36 percent of all life insurance company farm real estate loans, 17 percent of the land bank borrowers, and 25 percent of the amount of farm real estate loans of insured commercial banks. In contrast, the Southeast had 11 percent of all farms, and approximately 90 percent of the farms in the Southeast sold less than \$5,000 in farm products. But 17 percent of FHA's farm-ownership loans were in this region as compared with 10 percent for the Federal land banks, 3 percent for life insurance companies, and 7 percent for insured commercial banks.

Non-real-estate loans of insured commercial banks tend to be concentrated in areas of larger farms with relatively smaller proportions in the southern regions and more loans in the Corn Belt, Great Plains, Mountain, and Pacific States. Production credit associations had a little less than a fifth of their loans in the Corn Belt, but they also had approximately 40 percent of their loans in the Appalachian, Southeast, and Delta States. More than half of the adjustment loans of the Farmers Home Administration were in four regions - the Appalachian, Southeast, Delta, and Southern Plains.

SUMMARY AND CONCLUSIONS

When borrowers from the Farmers Home Administration were compared with borrowers from such lenders as production credit associations and commercial banks, many differences were found, although there was also considerable overlapping between these lenders in regard to borrower characteristics. Usually the PCA borrower was among the older group of farmers - those with the higher net worths and the higher incomes. He was more likely to own part or all of his farm and to have a larger loan than a borrower from a bank or an operating loan borrower of the Farmers Home Administration. Farmers served by commercial banks had net worths lower on the average, than those served by production credit associations. Banks were more likely to have borrowers needing smaller amounts of credit, and a large share of bank loans were unsecured.

On the average, FHA borrowers were younger than farmers in general and also than those who borrowed from banks and production credit associations. More of them were tenants. Their net worths were lower, and at any given level of net worth they required larger loans. They were more likely to operate general, livestock, or dairy farms, than were borrowers from other lenders.

The Farmers Home Administration offers a wide variety of loans, and the characteristics of its borrowers differed considerably by type of loan. Emergency loan borrowers were likely to be among the older farmers with low net worths and low incomes the previous year, who needed credit to pull through a drought or other temporary setback. Special livestock borrowers were frequently substantial operators in temporary need of credit because of drought. Adjustment-loan borrowers were usually among the younger farmers, who needed credit to buy livestock and machinery and become established in farming; their net worths and their incomes were usually low because they were not yet operating adequately stocked and equipped farms. Farm-housing and soil and water conservation loans are offered primarily to fill a gap in the types of credit available from other lenders. These loans were likely to be obtained by older farmers, most of whom owned their farms and were reasonably well-established financially with fair to high net worths and incomes.

Farm-ownership borrowers occupied a sort of middle position in regard to the borrower characteristics discussed. Farm-ownership loans were originally made to younger farmers who had been tenants and were just getting established in farming. However, in recent years, most of these loans have been made to farm owners for farm enlargement, farm improvement, and refinancing. Borrowers with farm-ownership loans outstanding on June 30, 1956, tended to be older, with higher net worths and incomes, than emergency or adjustment-loan borrowers. But on the whole, they were not as well off as farm-housing and soil and water conservation loan borrowers.

Fatal farm-accident rates appear to be declining in Ohio and Kansas - two States for which data on farm accidents are published.

Although the data on accidents compiled in these States may not be strictly comparable, both series indicate a declining number of fatal farm accidents from 1946 to 1956. The percentage declines in number of accidents during this period exceed the percentage declines in farm population. Thus, it seems probable that the rates of fatal farm accidents per 100,000 farm people are also declining in both States.

Table 1.- All Farmers Home Administration loans outstanding: Number of borrowers and amount outstanding, by specified type of loan, United States, June 30, 1956

Type of loan	Borrowers		Amount outstanding		
	Total	Distribution	Total	Distribution	Average per borrower
	Number	Percent	1,000 dollars	Percent	Dollars
Operating:					
Annual-----	4,760	3	5,215	1	1,100
Adjustment-----	100,790	57	310,218	36	3,080
Emergency-----	42,610	24	92,935	11	2,180
Special livestock-----	2,320	1	26,511	3	11,430
Other-----	1,510	1	1,260	2/	840
Total or average-----	1/ 136,030	1/ 77	436,139	51	3,210
Farm-ownership:					
Direct-----	30,620	17	198,049	23	6,470
Insured-----	12,350	7	115,201	14	9,330
Total or average-----	42,970	24	313,250	37	7,290
Farm-housing-----	14,700	8	67,110	8	4,570
Soil and water conservation:					
Direct-----	4,830	3	12,521	2	2,590
Insured-----	4,430	3	20,743	2	4,680
Total or average-----	1/ 8,900	1/ 5	33,264	4	3,740
Other real estate-----	1,060	1	3,623	2/	3,410
All borrowers-----	1/ 176,650	1/ 100	853,386	100	4,830

1/ Does not add to total because a borrower may have more than one type of loan.

2/ Less than 0.5 percent.

Table 2.- Percentage distributions of all farm operators in 1954, and of farm borrowers from specified lenders in 1956, by age of individual, United States

Age of individual	All farm operators	Borrowers from-		
		Farmers Home Administration	Production credit associations	Insured commercial banks
	Percent	Percent	Percent	Percent
Under 25 years-----	2	3	2	2
25 to 34 years-----	13	24	16	15
35 to 44 years-----	23	33	29	31
45 to 64 years-----	45	36	45	<u>1/</u> 47
65 years and over-----	17	3	8	---
Not reported-----	---	1	---	5
Total-----	100	100	100	100

1/ Borrowers 45 years and over.

Table 3.- Farmers Home Administration loans: Number of borrowers and amount outstanding, by age of borrower, United States, June 30, 1956

Age of borrower	Borrowers		Amount outstanding		
			Total	Distribution:	Average per borrower
	Number	Percent	1,000 dollars	Percent	Dollars
Under 25 years-----	5,050	3	19,592	2	3,880
25 to 34 years-----	41,680	24	228,881	27	5,490
35 to 44 years-----	58,990	33	314,227	37	5,330
45 to 64 years-----	63,180	36	264,884	31	4,190
65 years and over-----	5,990	3	16,505	2	2,760
Not reported-----	1,760	1	9,305	1	5,260
Total or average----	176,650	100	853,394	100	4,830

Table 4.- Loans outstanding: Average amount per borrower, by age of borrower and by specified lender, United States, June 30, 1956

Age of borrower	Average amount outstanding			
	Farmers Home Administration	Production credit associations	Insured commercial banks	
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	
Under 25 years-----	3,880	2,750	1,180	
25 to 34 years-----	5,490	3,630	1,850	
35 to 44 years-----	5,330	3,550	2,200	
45 to 64 years-----	4,190	3,370	<u>1/</u> 2,460	
65 years and over-----	2,760	3,190	---	
Not reported-----	5,260	---	1,120	
All borrowers-----	4,830	3,430	<u>2/</u> 2,230	

1/ Borrowers 45 years and older.

2/ Includes corporate farms.

Table 5.- Farmers Home Administration loans: Percentage distributions of borrowers, by age of borrower and by type of loan, United States, June 30, 1956

Age of borrower	Type of loan									
	Operating					All FHA loans				
	Adjust- ment	Emer- gency	Special live- stock	All 1/	Farm owner- ship	Farm housing	Soil and water			
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Under 25 years-----	4	3	---	4	2/	2/	1	3		
25 to 34 years-----	29	20	3/ 15	25	22	14	15	24		
35 to 44 years-----	34	29	26	33	38	38	33	33		
45 to 64 years-----	31	42	4/ 54	34	37	41	44	36		
65 years and over----	2	5	---	3	3	4	6	3		
Not reported-----	2/	1	5	1	2/	3	1	1		
Total-----	100	100	100	100	100	100	100	100		

1/ Includes borrowers obtaining annual and other operating loans.

2/ Less than 0.5 percent.

3/ Borrowers under 35 years.

4/ Borrowers 45 years and over

Table 6.- Percentage distributions of all farm operators in 1954, and of farm borrowers from specified lender in 1956, by tenure of individual, United States

Tenure of individual	All farm operators	Borrowers from-		
		Farmers Home Administration	Production credit associations	Insured commercial banks
	Percent	Percent	Percent	Percent
Owner-operator ^{1/} -----	76	66	76	69
Tenant-----	^{2/} 24	31	21	25
Landlord or other-----	---	2	3	6
Not reported-----	---	1	---	---
Total-----	100	100	100	100

^{1/} Includes both full owners and part owners.^{2/} Includes managers.

Table 7.- Farmers Home Administration loans: Number of borrowers and amount outstanding, by tenure of borrower, United States, June 30, 1956

Tenure of borrower	Borrowers		Amount outstanding		
			Total	Distribution	Average per borrower
	Number	Percent	1,000 dollars	Percent	Dollars
Full-owner operator-----	90,560	51	523,355	61	5,780
Part-owner operator-----	26,850	15	126,601	15	4,720
Tenant-----	54,940	31	185,354	22	3,370
Landlord or other-----	2,440	2	11,313	1	4,630
Not reported-----	1,860	1	6,771	1	3,630
Total or average-----	176,650	100	853,394	100	4,830

Borrowers 45 years and over

Table 8.- Percentage distributions of farm borrowers from specified lender, by net worth of borrower, United States, June 30, 1956

Net worth of borrower	Borrowers from-		
	Farmers Home Adminis- tration ¹ / ₂	Production credit associations	Insured commercial banks
	Percent	Percent	Percent
Less than \$3,000-----	21	7	13
\$3,000 to \$9,999-----	43	26	32
\$10,000 to \$24,999-----	25	35	31
\$25,000 to \$99,999-----	6	27	17
\$100,000 and more-----	<u>2</u> / ₂	5	2
Not reported-----	5	---	5
Total-----	100	100	100

¹/ End of 1955 crop year.
²/ Less than 0.5 percent.

Table 9.- Farmers Home Administration loans: Number of borrowers and amount outstanding, by net worth of borrower, United States, June 30, 1956

Net worth of borrower 1/	Borrowers				Amount outstanding		
	Number	Percent	1,000 dollars	Percent	Dollars	:	
						Total	Distri- bution
Less than \$3,000-----	37,120	21	135,027	16	3,640		
\$3,000 to \$7,499-----	52,560	30	231,232	27	4,400		
\$7,500 to \$9,999-----	21,870	13	112,099	13	5,130		
\$10,000 to \$24,999-----	44,690	25	254,979	30	5,710		
\$25,000 to \$99,999-----	11,040	6	78,213	9	7,080		
\$100,000 and more-----	270	2/	7,236	1	26,580		
Not reported-----	9,100	5	34,608	4	3,800		
Total or average-----	176,650	100	853,394	100	4,830		

1/ End of 1955 crop year.
2/ Less than 0.5 percent.

Table 10.- Loans outstanding: Average amount per borrower, by net worth of borrower and by specified lender, United States, June 30, 1956

Net worth of borrower	Average amount outstanding		
	Farmers Home Admin- istration ^{1/}	Production credit associations	Insured commercial banks
	Dollars	Dollars	Dollars
Less than \$3,000-----	3,640	710	540
\$3,000 to \$9,999-----	4,610	1,250	1,150
\$10,000 to \$24,999-----	5,710	2,080	2,070
\$25,000 to \$99,999-----	7,080	4,710	4,230
\$100,000 and more-----	26,580	21,160	16,580
Not reported-----	3,800	---	---
All borrowers-----	4,830	3,430	2,230

^{1/} End of 1955 crop year.

Table 11.- Operating loans outstanding: Average amount per borrower, by net worth of borrower and by specified lender, United States, June 30, 1956

Net worth of borrower	Average amount outstanding		
	Farmers Home Adminis- tration ^{1/} ^{2/}	Production credit associations	Insured commercial banks ^{3/}
	Dollars	Dollars	Dollars
Less than \$3,000-----	2,930	710	510
\$3,000 to \$9,999-----	2,920	1,250	1,020
\$10,000 to \$24,999-----	3,380	2,080	1,760
\$25,000 to \$99,999-----	5,730	4,710	3,750
\$100,000 or more-----	32,420	21,160	14,820
Not reported-----	2,780	---	840
All borrowers-----	3,210	3,430	1,920

^{1/} End of 1955 crop year.^{2/} Average amount of annual, adjustment, emergency, special livestock, and other operating loans per borrower reporting one or more of these types of loans.^{3/} Average bank debt of borrowers not having loans to buy real estate.

Table 12.- Farmers Home Administration loans: Percentage distributions of borrowers, by net worth of borrower and by type of loan, United States, June 30, 1956 ^{1/}

Type of loan	Borrowers reporting net worth- ^{2/}	
	Under \$10,000	\$10,000 and more
	Percent	Percent
Operating:		
Adjustment-----	72	28
Emergency-----	73	27
Special livestock-----	39	61
All operating ^{3/} -----	72	28
Farm-ownership-----	62	38
Farm-housing-----	48	52
Soil and water conservation-----	30	70
All borrowers ^{4/} -----	67	33

^{1/} Percentage distributions adjusted for borrowers not reporting net worth.

^{2/} End of 1955 crop year.

^{3/} Includes borrowers obtaining annual and other operating loans.

^{4/} Includes borrowers obtaining other real estate loans.

Table 13.- Farmers Home Administration loans: Number of borrowers and amount outstanding, by 1955 gross cash income of borrower, United States, June 30, 1956

1955 gross cash income of borrower	Borrowers	Amount outstanding			
		Total	Distribution	Average per borrower	
	Number	Percent	1,000 dollars	Percent	Dollars
Less than \$2,500----	31,350	18	72,355	9	2,310
\$2,500 to \$4,999----	58,320	33	240,677	28	4,130
\$5,000 to \$7,499----	37,310	21	213,278	25	5,720
\$7,500 to \$9,999----	18,100	10	119,896	14	6,620
\$10,000 and more----	18,410	11	154,272	18	8,380
Not reported-----	13,160	7	52,916	6	4,020
Total or average--	176,650	100	853,394	100	4,830

Table 14.- Farmers Home Administration loans: Percentage distributions of borrowers, by 1955 gross cash income of borrower and by type of loan, United States, June 30, 1956 ^{1/}

Type of loan	Borrowers reporting income-	
	Under \$5,000	\$5,000 and more
	Percent	Percent
Operating:		
Adjustment-----	55	45
Emergency-----	64	36
Special livestock-----	25	75
All operating ^{2/} -----	58	42
Farm-ownership-----	48	52
Farm-housing-----	39	61
Soil and water conservation-----	28	72
All borrowers ^{3/} -----	55	45

^{1/} Percentage distributions adjusted for borrowers not reporting incomes.

^{2/} Includes borrowers obtaining annual and other operating loans.

^{3/} Includes borrowers obtaining other real estate loans.

Table 15.- Percentage distributions of farm borrowers from specified lenders, by type of farm, United States, June 30, 1956

Type of farm ^{1/}	Borrowers from-		
	Farmers Home Administration	Production credit associations	Insured commercial banks
	Percent	Percent	Percent
Livestock (meat animals)-----	8	19	9
Dairy-----	18	18	15
Poultry-----	2	2	2
Cash grain-----	6	9	11
Cotton-----	15	14	8
Other major product-----	8	13	8
General-----	42	25	43
Not reported-----	1	---	4
Total-----	100	100	100

^{1/} When 50 percent or more of the value of farm products sold was from one type of product, the farm was classified under that product. Otherwise, it was classified as a general farm.

Table 16.- Farmers Home Administration loans: Number of borrowers and amount outstanding, by type of farm, United States, June 30, 1956

Type of farm	Borrowers	Amount outstanding			
		Total	Distribution	Average per borrower	
	Number	Percent	1,000 dollars	Percent	Dollars
Livestock-----	13,540	8	86,140	10	6,360
Dairy-----	31,560	18	192,767	23	6,110
Poultry-----	3,540	2	18,233	2	5,160
Cash grain-----	9,830	6	45,674	5	4,650
Cotton-----	26,550	15	104,350	12	3,930
Other major product--	15,030	8	59,547	7	3,960
General-----	74,130	42	336,123	40	4,530
Not reported-----	2,470	1	10,560	1	4,270
Total or average---	176,650	100	853,394	100	4,830

Table 17.- Percentage distributions of farm borrowers from specified lender, by size of outstanding debt, United States, June 30, 1956

Size of debt	Borrowers from-		
	Farmers Home Administration 1/	Production credit associations	Insured commercial banks 2/
	Percent	Percent	Percent
Less than \$250-----	3	7	21
\$250 to \$499-----	7	12	17
\$500 to \$999-----	14	18	19
\$10,000 to \$1,999-----	19	21	19
\$2,000 to \$4,999-----	36	26	16
\$5,000 to \$9,999-----	19	10	5
\$10,000 to \$24,999-----	2	5	2
\$25,000 and more-----	3/	1	1
Total-----	100	100	100

1/ Total amount of annual, adjustment, emergency, special livestock, and other operating loans per borrower reporting one or more of these types of loans.

2/ Total bank debt of borrowers not having farm real estate loans.

3/ Less than 0.5 percent.

Table 18.- Farmers Home Administration loans: Percentage distributions of borrowers, by date of earliest loan and by type of loan, United States, June 30, 1956

Date of earliest loan	Type of loan									
	Operating					Farm				
	Adjust- ment		Emer- gency		Special livestock		owner- ship		Farm housing	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1956-----	14	63	9	25	6	2/	13	20		
1955-----	20	16	17	17	11	2/	34	16		
1954-----	22	11	37	17	8	5	12	15		
1953-----	17	5	37	13	6	16	12	12		
1952-----	15	3	---	11	7	26	15	11		
1951-----	7	1	---	6	8	24	13	7		
1946-50-----	3/ 5	3/ 1	---	7	28	3/ 29	3/ 1	12		
1941-45-----	---	---	---	3	21	---	---	5		
1940 and earlier-----	---	---	---	1	5	---	---	2		
Not reported-----	2/	---	---	2/	2/	2/	---	2/		
Total-----	100	100	100	100	100	100	100	100		

1/ Includes borrowers obtaining annual and other operating loans.
2/ Less than 0.5 percent.
3/ 1950 and earlier.

Table 19.- Percentage distributions of farm real estate loans or borrowers from specified lender, by date of loan, United States, June 30, 1956

Table 19.- Percentage distributions of farm real estate loans or borrowers from specified lender, by date of loan, United States, June 30, 1956

Date of loan	Life insurance company farm real estate loans	Borrowers from-		
		Federal land banks 1/	Farmers Home Administration 2/	
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	
1955-56-----	25	26	17	
1953-54-----	23	21	14	
1951-52-----	19	14	15	
1950 and earlier-----	33	39	54	
Total-----	100	100	100	

1/ Distribution is by date of latest loan when a borrower had two or more loans. On June 30, 1956, 333,500 borrowers had 353,146 loans.

2/ Farm-ownership borrowers only.

Table 20.- Farmers Home Administration loans: Percentage distributions of borrowers and amount outstanding, by type of loan and by regions, United States, June 30, 1956

Region	BORROWERS								
	Type of loan								All borrowers 2/
	Operating loans					Soil and water conser- vation	Farm owner- ship	Farm housing	
	Adjust- ment	Annual	Emer- gency	Special live- stock	All 1/				
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Northeast-----	7	4	2	6	6	2	6	6	6
Corn Belt-----	13	4	7	10	11	4	12	11	12
Lake States-----	8	5	3	3/	7	2	10	6	7
Appalachian-----	15	25	11	4	14	4	12	14	13
Southeast-----	11	32	9	2	11	8	17	18	12
Delta States-----	12	13	13	7	12	8	18	16	13
Southern Plains-----	13	6	31	39	16	18	9	12	15
Northern Plains-----	9	3	19	5	12	12	7	5	11
Mountain-----	9	6	4	26	8	27	6	8	8
Pacific-----	3	2	1	1	3	15	3	4	3
United States-----	100	100	100	100	100	100	100	100	100
Region	Amount outstanding								
Northeast-----	9	5	4	1	7	1	6	6	6
Corn Belt-----	15	5	5	2	11	3	14	9	12
Lake States-----	9	6	2	3/	7	2	9	5	8
Appalachian-----	9	15	7	3/	8	3	12	15	10
Southeast-----	7	15	5	2	7	9	12	19	10
Delta States-----	9	7	8	1	8	8	13	12	10
Southern Plains-----	12	12	48	47	22	19	9	12	16
Northern Plains-----	12	12	11	6	12	16	11	6	11
Mountain-----	13	15	8	39	14	26	9	10	12
Pacific-----	5	8	2	2	4	13	5	6	5
United States-----	100	100	100	100	100	100	100	100	100

1/ Includes borrower obtaining other operating loans.

2/ Includes borrower obtaining other real estate loans.

3/ Less than 0.5 percent.

Table 21.- Selected characteristics of farm operators in 1954 related to specified types of loans outstanding in 1956, by or within regions

Table 21.- Selected characteristics of farm operators in 1954 related to specified types of loans outstanding in 1956, by or within regions

Item	North-east		Corn Belt		Lake States		Appalachian		South-east		Delta States		Southern Plains		Northern Plains		Mountain Pacific		United States	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Farm operators 1954-----	8	19	9	18	11	10	9	7	4	5	100									
Percentage of farm operators within region who-----																				
Were tenants-----	7	25	14	26	33	40	26	30	15	10	24									
Reported farm product sales of \$5,000 or more-----	35	41	37	10	11	10	23	48	42	39	27									
Farm real estate loans:																				
Distribution of-----																				
Borrowers with loans outstanding June 30, 1956:																				
FHA farm ownership loans-----	6	12	10	12	17	18	9	7	6	3	100									
Federal land bank loans-----	7	17	13	7	10	7	13	13	7	6	100									
Loans outstanding held by 17 life insurance companies-----	3	36	9	6	3	5	12	14	7	5	100									
Loans outstanding June 30, 1956, held by insured commercial banks-----	14	25	12	15	7	5	4	4	3	11	100									
Non-real-estate loans:																				
Distribution of-----																				
Borrowers with loans outstanding June 30, 1956:																				
FHA adjustment loans-----	7	13	8	15	11	12	13	9	9	3	100									
Production credit association loans-----	11	20	8	17	11	11	8	5	5	4	100									
Amount of loans outstanding held by insured commercial banks-----	7	23	10	7	4	4	11	13	10	11	100									

REPORTS

NON-REAL-ESTATE CREDIT

During 1958, the outstanding volume of farm operating loans was substantially greater than in 1957. On December 31, 1958, the non-real-estate loans to farmers held by insured commercial banks were about 16 percent higher and the outstanding loans of the production credit associations were 26 percent higher than a year earlier. However, the outstanding operating and emergency loans of the Farmers Home Administration decreased about 7 percent over the same period.

In general, 1958 was a better farm year than 1957. Most areas enjoyed more favorable weather, which resulted in a larger production of crops and improved pastures. In some areas, more credit was needed for the harvesting of crops. Probably the largest amount of credit was used for purchases of livestock with which to stock ranges and feedlots. This is reflected by the exceptionally large increase in outstanding non-real-estate loans in the western Corn Belt and Great Plains areas. The production credit associations also reported large increases in outstanding loans in the Lake States and in some Southern States. Throughout the country, farmers' expenditures for farm machinery and farm improvements have been increasing.

Both new loans and collections on old loans were larger in 1958 than in 1957. In the production credit associations, new loans through December 1958 were 28 percent, and cash collections were about 29 percent, above a year earlier. In the Farmers Home Administration, new operating and emergency loans were up about 4 percent and collections were almost 18 percent higher during the last half of 1958 than in the comparable period of 1957.

Interest rates charged farmers for non-real-estate loans declined during most of 1958 as a result of the decline in money market rates during the first half of 1958. On January 1, 1958, only 17 of the 497 production credit associations were charging farmers less than 6 percent on loans as compared with 65 on January 1, 1959. On January 1, 1958, 173 associations were charging 7 percent or more as compared with 33 on January 1, 1959. The average interest rate charged by the production credit associations during 1958 was 6.2 percent. Money market rates increased during the second half of 1958 to levels that are discouraging further decreases in the rates of the production credit associations.

Bank rates have shown little fluctuation during this period. In September 1958, a survey conducted by the American Bankers Association indicated that bank rates to farmers averaged about 6.4 percent, the same as a year earlier.

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FARM-MORTGAGE CREDIT

The volume of farm-mortgage lending increased in 1958, and total farm-mortgage debt reached a new high - \$11.2 billion - on January 1, 1959. The increase during 1958 was about 6 percent. Total mortgage interest charges payable in 1959 are estimated at \$565 million, about 8 percent higher than in 1958.

The demand for farm-mortgage money was stimulated by some decline in interest rates in the first half of 1958 when 11 of the Federal land banks reduced their rates and there was some easing of rates by other lenders. According to the experience of life insurance companies, a somewhat smaller part of the money loaned was for purchase of real estate and refinancing of farm mortgages than in 1957. More of it was for refinancing non-real-estate indebtedness, making farm improvements, and similar purposes.

The generally good demand for farm-mortgage credit reflected, in part, a higher level of farm income, which encouraged long-term commitments by both farmers and lenders. Farmers' expenditures for buildings, farm machinery, tractors, and motor vehicles rose about 6 percent during the year. Total farm production expenses increased, but the realized net income of farmers was up 20 percent. Farm real estate values continued to move upward in 1958; in November, the average value per acre was some 6 percent above a year earlier. The demand for farm real estate continued strong in 1958, particularly the demand for land to enlarge existing farms.

During most of 1958, farm-mortgage credit appeared to be more readily available, and the cost was somewhat lower than in 1957. Interest rates on alternative investments, such as Government and corporate securities, generally declined in the first half of the year, then rose in the second half. For example, long-term United States Government bonds yielded 3.24 percent in January 1958, 3.12 percent in April 1958, and 3.92 percent in January 1959.

Some easing of farm-mortgage interest rates occurred in the first half of 1958, but rates tended to firm up later in the year. By the fall of the year, farm-mortgage interest rates on loans by individuals, life insurance companies, and commercial banks were slightly below a year earlier, and land bank rates were at least one-half of 1 percentage point lower.

Higher interest rates in the central money markets exerted upward pressure on farm-mortgage rates in late 1958 and early 1959. Average yields on Consolidated Farm Loan Bonds, which are the land banks' source of loan funds, fell from 3.20 percent in January 1958 to 2.60 percent in April 1958 and rose to 3.80 percent in January 1959. By the end of May 1959, 10 land banks were charging 5 1/2 percent, the Berkeley bank had a 5-percent rate, and the Springfield bank charged 5 3/4 percent. The maximum legal rate for land bank loans made through national farm loan associations is 6 percent.

Chiefly because of an upward revision of appraisal levels, which followed reductions in interest rates, farm-mortgage lending of the land banks

turned up sharply in June 1958. The number of farm mortgages acquired in the second half of 1958 was 30 percent above the same period in 1957, and the amount was up 54 percent. In the same periods, the average size of loan made rose from \$8,490 to \$9,990, reflecting the upward revision in appraisal levels. There was little change in the total number of land bank mortgages outstanding during 1958, but the amount outstanding rose 6 percent.

For 16 life insurance companies there was likewise an increase of 6 percent during 1958 in the amount of farm-mortgage loans outstanding. Most of the increase was due to a higher average size as the number of loans outstanding rose only 1 percent. In 1958, the 16 companies acquired 10 percent fewer loans than in 1957, but the amount loaned was up 3 percent. The average size of mortgage acquired rose from \$16,410 in 1957 to \$18,550 in 1958.

The amount of outstanding direct farm-ownership loans of the Farmers Home Administration increased 16 percent in 1958. Demand for farm-housing loans was strong also, and the increase in the amount outstanding during the year amounted to 44 percent.

Repayments on farm mortgages of the major lenders were generally better than in 1957, reflecting higher farm incomes in 1958. Loans in process of foreclosure or delinquent declined. Land bank loan repayments on regular mortgages were 8.3 percent of the principal outstanding at the beginning of 1957 and 8.8 percent in 1958. Delinquent or extended loans dropped during 1958 from 5.8 percent of the total to 5.3 percent. Reports from 16 companies also showed a slight increase in principal repayments relative to the total principal outstanding. There was some increase in 1958 in the repayment rate of direct farm-ownership loans of the Farmers Home Administration and a decline in the proportion of loans behind schedule in regard to amortization.

COOPERATIVE FARM CREDIT SYSTEM ^{1/}

Again in 1958 farmers and their marketing, purchasing, and business service cooperatives made greater use of their cooperative Farm Credit System than ever before. They borrowed \$3.4 billion, or about 20 percent more than in 1957. Loans outstanding at the end of the year reached new peaks totaling \$3.8 billion, an increase of 14 percent over the previous year.

The credit services of the System are available through 12 Federal land banks, 876 national farm loan associations, 12 Federal intermediate credit banks, 496 production credit associations, and 13 banks for cooperatives.

In order to obtain the increased loan funds needed, the Farm Credit banks issued more bonds and debentures for public sale than in any previous year. The total of \$2.8 billion was \$300 million more than in 1957. On

^{1/} Prepared in the Farm Credit Administration.

December 31, 1958, bonds and debentures outstanding amounted to \$3.1 billion, or \$400 million more than on the same date in the previous year.

Wide fluctuations in money market conditions resulted in sharp changes in interest rates on the bonds and debentures sold during the year. In the first half of the year, interest rates declined rapidly from the peak levels reached in the fall of 1957. During the latter half of 1958, interest rates followed an upward trend. Changes in interest rates charged borrowers by the Farm Credit banks and associations reflected these fluctuations in money costs, but with some lag and usually within narrower ranges. The trend of such adjustments at the end of the year was upward in order to maintain an adequate income margin over the cost of loanable funds.

A new peak was reached also in the amount of capital stock in Farm Credit banks and associations owned by farmers and their cooperatives. It totaled \$287 million on December 31, 1958, an increase of \$37 million over a year ago. The United States Government's capital stock investment in the System (Federal intermediate credit banks, production credit associations, and banks for cooperatives) on December 31, 1958, was \$219 million, a net decrease of \$7 million from a year earlier. The 12 Federal land banks and national farm loan associations are entirely farmer owned.

Farmers' borrowings of \$247 million from the Federal land banks and national farm loan associations on farm mortgage security in the last half of 1958 showed an increase of 53 percent compared with the last half of 1957. As a result, despite the lower volume in the first half of the year, the land banks made loans during the year amounting to \$429 million, about 8 percent more than in the previous year.

The upward trend in land bank loan volume reflects both the decreases in interest rates on new loans and the upward adjustments in the appraisal standards placed in effect during the first half of the year. Farmers obtained loans principally to refinance existing real estate mortgages held by other lenders and to buy farm real estate. Other purposes included refinancing of chattel mortgages, repairing buildings, improving farms, purchasing livestock and farm machinery, and for general farm operations.

The average size of land bank loan made was \$10,461 in 1958. This figure includes the outstanding balances of borrowers obtaining additional financing.

Farmers obtained \$2.2 billion in short- and intermediate-term loans from their production credit associations in 1958. This record use of production credit association services reflects a 27-percent increase in loan volume compared with the previous year. The number of loans was up 5 percent. Loans outstanding on December 31, 1958, amounted to \$1.1 billion, or 26 percent more than a year ago.

The average size of production credit association loans in 1958 was \$7,543. Compared with the \$6,118 in 1957, this was a 23-percent increase.

The 12 Federal intermediate credit banks, the main source of lending funds for the production credit associations as well as other financing institutions, extended credit totaling \$3 billion in 1958, which was 25 percent more than in 1957.

During the year, farmers' cooperatives obtained \$559 million from the banks for cooperatives. More farmers' cooperatives were using the services of the banks on December 31, 1958, than at any previous time. The 2,549 farmers' cooperatives with loans amounting to \$510 million on that date represented an increase of 6 percent in number of associations and 12 percent in amount of money they were using compared with a year earlier.

FARMERS HOME ADMINISTRATION - 1958 ^{1/}

During 1958, the basic credit services of the Farmers Home Administration - operating and farm-ownership loans - continued at approximately the same dollar-volume level as in 1957. The average size of the loans increased, however, as the family-type farmers served by the agency sought capital both to improve and to expand their operations. The average initial operating loans increased in size from \$4,638 in 1957 to \$5,087 in 1958; the average initial farm-ownership loan increased from \$13,417 to \$14,680.

The amount of the farm-housing loans extended by the agency increased sharply during the year because of an expansion in this program authorized as an antirecession measure on March 20. During the first quarter of the year, farm-housing loans averaged \$400,000 per week. During the three remaining quarters, the weekly loan average was \$1,200,000.

The volume of insured loans rose also during the first half of 1958, when the condition of the money market increased the attractiveness of this form of investment. Insured loan volume for the year totaled \$38,000,000 compared with \$22,500,000 in 1957.

Emergency loan volume during 1958 stayed at approximately the same level as in 1957. However, most of the demand for these loans came as a result of the drought and similar emergencies of previous years. Relatively few emergency situations developed during 1958. As the year closed, only 379 counties were designated as areas in which initial emergency loans could be made.

All told, farm families obtained loans from the Farmers Home Administration during 1958 totaling \$362,800,000 as compared with \$339,600,000 in 1957. The number of loans made during 1958 totaled 110,374. An estimated 193,000 farmers used the agency's credit services during the year. This number included those still using loan funds obtained in previous years.

^{1/} Prepared in the Farmers Home Administration.

As in previous years, loans with which to operate, develop, and strengthen family-type farms accounted for the greatest number of loan advances and for the bulk of the money loaned.

The breakdown of the 1958 program by type of loan, number, and amount follows:

<u>Type of loan</u>	<u>Number</u>	<u>Amount</u>
Operating-----	76,873	\$181,900,000
Farm Ownership-----	4,570	63,300,000
Soil and Water Conservation-----	723	4,500,000
Farm Housing-----	7,468	52,300,000
Emergency-----	20,740	60,800,000

Collections of principal and interest during 1958 totaled \$344,000,000 as compared with \$298,000,000 in 1957. Approximately 40,500 borrowers repaid their loans in full. Loans outstanding as of December 31, 1958, were \$1,007,500,000 compared with \$968,215,000 as of the same date a year earlier.

Loans were made to farm families who had or could obtain land, labor, and other resources needed for successful farming, but whose operations could not be financed adequately by other lenders. Supervision in the development of sound farming systems and the adoption of modern farming practices was provided, to the extent necessary, with each loan.

In many instances, the agency's county supervisors were able to show loan applicants how they could make greater use of private and cooperative sources of credit. This was accomplished by helping the applicants determine the most economical methods of financing the adjustments they wished to make, prepare a sound analysis of their credit needs, and review the types of credit available from conventional lenders. In many instances such advice helped farm families qualify for credit they had previously been unable to obtain.

DISTRESS TRANSFERS OF FARM REAL ESTATE

The number of distress transfers of farm real estate - foreclosure of mortgage or transfers to avoid foreclosure - has been at a relatively low level for several years. In 1932, the ownership of nearly 223,000 farms, or about 39 in each 1,000 farms in the Nation, was transferred because of financial distress. The number declined through the rest of the 1930's and 1940's until the all-time low was reached in 1947, when only 1 in each 1,000 farms in the country was affected. An increase has occurred since, but during 1957 the rate, at 1.7 per 1,000 farms was still lower than at any time before 1945.

Among regions, the rate in 1957 was highest, 3.2 per 1,000 farms, in the Mountain States and lowest, 1.0 per 1,000 farms in the Delta States, although the rate of 1.1 per 1,000 farms in the Corn Belt was almost as low. However, in terms of actual numbers of distress transfers, the regions are in different order, because the total number of such transfers in a region is a function of the number of farms in the region as well as the rate of transfer per thousand of all farms. Thus, even though in 1957, the Appalachian region had a rate of distress transfers, which at 1.8 was close to the national average, the total number of such transfers in the region amounted to a little less than a fifth of the national total of 7,100. This was because the region has a relatively large number of farms. Similarly, the Corn Belt, with a low rate, contained 13 percent of the distress transfers, a rather high proportion, but the Mountain region which had the highest rate of any region, had only 8 percent of the total transfers.

Two measures of the number of distress transfers of farm real estate were available until 1955. The one reported above, which is maintained by the Farm Economics Research Division, Agricultural Research Service, United States Department of Agriculture, uses the broadest definition of a distress transfer. This is the measure most frequently used. It includes assignments of farms to creditors and other voluntary transfers to avoid foreclosure as well as transfers originating from court-directed foreclosures actions. The basic data for this estimate are obtained annually from crop reporters who report the number of the various classes of transfers that have occurred within a group of farms, of which their own is the center. The national rate of distress transfers, as well as the rates of other kinds of transfers, is based on this sample of about 100,000 farms which are included in the sample segments covered by about 16,000 crop reporters. These rates are numbers of each type of transfer per 1,000 of all farms. They can be converted to absolute numbers by multiplying the rate of transfer by the total number of farms with cropper farms excluded.

A second series that measured only the number of foreclosures completed was compiled by the Farm Credit Administration through 1954. This was based on data obtained from county records by local national farm loan association personnel and other voluntary reporters in a sample of counties, which included from 22 to 50 percent of all farms in the country.

Because of the differences in definition and in sources of data, the estimates prepared by the Farm Economics Research Division, ARS, from crop-reporter data showed a substantially higher aggregate level than the Farm Credit Administration series (table 1). However, the year-to-year changes were in general agreement from 1934 through 1943. Since that date, the Farm Economics Research Division estimates of distress transfers have tended to level off, whereas actual foreclosures continued to decline. For example, the 1954 ARS estimate was 9,000 and the FCA estimate was 1,438. Part of this difference comes from the problem of measuring an extremely low incidence by the method used by ARS. More significant, however, is the fact that in recent years farm real estate could be sold readily on the open market if actual foreclosure was imminent, and the number of farms that creditors had to acquire by formal foreclosure action was at an all-time low.

Table 1.- Farm ownership transfers: Number of distress transfers as estimated by the U. S. Department of Agriculture and actual foreclosures completed as estimated by the Farm Credit Administration, United States, 1934-57

Year	Distress transfers, U.S.D.A. 1/	Foreclosures, Farm Credit Administration 2/	Index 1941 = 100	
			U.S.D.A.	Farm Credit Administration
	Number	Number	Percent	Percent
1934-----	125,600	65,339	373	402
1935-----	123,700	61,326	367	378
1936-----	108,400	54,801	322	337
1937-----	84,100	43,529	250	268
1938-----	77,300	38,598	229	238
1939-----	70,800	35,404	210	218
1940-----	57,800	20,950	172	129
1941-----	33,700	16,251	100	100
1942-----	23,600	11,947	70	74
1943-----	16,400	5,802	49	36
1944-----	10,300	2,835	31	17
1945-----	8,100	1,635	24	10
1946-----	5,900	1,153	18	7
1947-----	5,300	787	16	5
1948-----	6,200	913	18	6
1949-----	7,200	1,085	21	7
1950-----	7,600	1,214	23	7
1951-----	7,800	1,088	23	7
1952-----	6,200	972	18	6
1953-----	7,900	1,044	23	6
1954-----	9,000	1,438	27	9
1955-----	10,100	3/	30	---
1956-----	8,600	3/	26	---
1957-----	7,100	3/	21	---

1/ Crop reporters are asked to report the number of various classes of transfers that have occurred within a group of farms surrounding their own farms. These reports are made as of March 1 for the preceding 12 months. Reporters are instructed to include assignments to creditors and other transfers to avoid foreclosure, as well as bonafide foreclosures.

2/ The series compiled by the Farm Credit Administration is based on public records in a sample of counties which includes from 22 to 50 percent of all farms in the United States. Because of the source of the data, the figures include only actual foreclosure sales completed and do not include transfers in lieu of foreclosures.

3/ Not available.

The administrative records of the Farm Credit Administration and life insurance companies provide further indications of the low level of distress transfers in recent years. For example, the Federal land banks acquired 5,242 farm properties through foreclosure, or similar action, in 1940. The value of these properties, at \$23 million, was 1.1 percent of the value of all farm mortgages held by the banks at the beginning of the year. The number and value of farm properties acquired declined in the years following until, in 1956, only 45 properties, valued at \$148,000, were acquired. These accounted for 1 one-hundredth of 1 percent of the total value of mortgages held by the banks. Information supplied by 16 life insurance companies, which hold about 22 percent of all farm mortgages, on the status of their mortgage holdings during the 1954-58 period also shows a low incidence of mortgage distress. The number of mortgages reported by the companies to be in process of foreclosure or in voluntary conveyance to the mortgagee in lieu of foreclosure, ranged from 70 to 112 at the beginning of each quarter in this period. However, only 34 farm properties were actually acquired through foreclosure by these companies during the 5 years.

THE IMPACT OF A GENERAL SALES TAX ON FARMERS

The nature of the sales tax in State governmental finance is well known, especially with respect to its revenue productivity. However, to a large extent, the impact of this tax on certain occupational groups is in the realm of conjecture. Some indication of the impact of a sales tax on farmers may be found in the expenditure data published in *Farmers' Expenditures In 1955 By Regions*. ^{1/} This study presents estimates of the average expenditure per farm operator family for all living expenses, and the average expenditure per farm for all production expenses, for the eight geographic regions and the United States.

In 1955, the average expenditure per family for all living and production expenses was \$8,586. If the amounts of expenditure reported on purchases of an intangible nature and on tangible items ordinarily exempt from the sales tax are excluded, it is estimated that the average family spent approximately \$3,323 on items subject to a sales tax. If food is considered to be exempt, the average family spent about \$2,558, which would be taxable. A uniform tax rate of either 2 or 3 cents per dollar under the assumption (a) that food is taxable, and (b) that food is exempt, would mean an estimated tax liability per farm operator family ^{2/} as follows:

^{1/} U. S. Dept. Agr. Statis. Bul. 224, April 1958.

^{2/} Computations based on expenditure data in tables 13, 14, 17, and 20. U. S. Dept. Agr. Statis. Bul. 224.

Tax rate (cents)	:	Food taxable	:	Food exempt
	:		:	
	:	<u>Dollars</u>	:	<u>Dollars</u>
2	:	66	:	51
3	:	100	:	77

Perhaps even more interesting, in view of the widespread belief to the contrary, is the finding that the impact of a sales tax on farm operator families is distinctly regressive even when food is exempt. Table 1, which shows average expenditures for family living only, indicates the declining ratio of the estimated tax to estimated average income as one moves up the income scale.

ASSESSMENT OF FARM AND NONFARM REAL ESTATE IN THE UNITED STATES

Recent studies of transferred real properties, farm and nonfarm, indicate a pattern of wide variations in the ratio of assessment to market values, both within and between assessment jurisdictions. These findings are generally consistent with the findings of assessment-to-sale studies made over a period of many years - including studies by State Tax Commissions, academic researchers, and representatives of various taxpayer groups.

Undoubtedly, the most comprehensive single survey of assessment ratios was that made as a part of the Census of Governments in 1957. This study, which was based on a stratified, two-stage probability sample of 116,400 property transfers during a 6-month period in 1956, was the first to cover all States on a consistent basis. Earlier census surveys, those from 1860 to 1922, were based on State and local assessing officials' estimates of market values of all assessed property, which although useful for tracing out general trends, are not as reliable as the 1957 sample of actual property transfers. The sample of improved farm and vacant acreage transfers amounted to some 9.4 percent of all such (farm and vacant acreage) transfers in the 6-month period.

Analysis by the Farm Economics Research Division, ARS, of farm assessment data from the census source and other studies revealed a fairly consistent relationship between assessment ratios and taxes as a percentage of market values. As a general rule, but with some exceptions, the higher the ratio of taxes to market values, the higher are the assessment-to-sale ratios of farm and nonfarm properties. In 1956, the Northeast, Corn Belt, Lake States, and Northern Plains - regions with farm property taxes above 1 percent of market value - also had the highest improved farm and vacant acreage assessment ratios, from 23.7 to 27.6 percent. But the regions with comparatively low taxes as a percentage of market values (0.45 to 0.91 percent) such as the Delta, Southeast,

Table 1.- Estimated average tax per family as a percentage of estimated average income of farm operator families, United States, 1955 ^{1/}

Family money income (after taxes)	Farm operator families	Estimated average income	Average taxable expendi- ture (family living expenses only)	
			Including food	Excluding food
	Thousands	Dollars	Dollars	Dollars
Under \$250-----	429	240	1,580	988
\$250 to \$499-----	211	450	1,266	760
\$500 to \$999-----	583	800	1,260	784
\$1,000 to \$1,499-----	520	1,275	1,544	991
\$1,500 to \$1,999-----	484	1,700	1,940	1,271
\$2,000 to \$2,999-----	840	2,400	2,285	1,564
\$3,000 to \$3,999-----	605	3,400	2,585	1,774
\$4,000 to \$7,499-----	672	4,800	3,406	2,438
\$7,500 and over-----	176	9,000	4,995	3,768
All income classes ^{2/} ----	4,760	2,441	2,239	1,526
Estimated average tax per family as a percentage of estimated average income				
	Food taxable		Food exempt	
	2¢	3¢	2¢	3¢
	Percent	Percent	Percent	Percent
Under \$250-----	13.3	19.6	8.3	12.5
\$250 to \$499-----	5.6	8.4	3.3	5.1
\$500 to \$999-----	3.1	4.8	2.0	3.0
\$1,000 to \$1,499-----	2.4	3.6	1.6	2.4
\$1,500 to \$1,999-----	2.3	3.4	1.5	2.2
\$2,000 to \$2,999-----	1.9	2.9	1.3	2.0
\$3,000 to \$3,999-----	1.5	2.2	1.0	1.6
\$4,000 to \$7,499-----	1.4	2.1	1.0	1.5
\$7,500 and over-----	1.1	1.7	.8	1.3
All income classes ^{2/} ----	1.8	2.7	1.3	1.9

^{1/} Computations based on statistical data in table 21, U. S. Dept. Agr. Statis. Bul. 224.

^{2/} Includes families not reporting income status.

Mountain, and Pacific regions, had correspondingly low assessment ratios, 10.0 to 12.9 percent. This relationship (assessment ratios tending to vary with the ratio of taxes to market values) prevails generally because mandatory limitations of tax levy rates tend to force jurisdictions that require large real estate tax revenues to maintain high levels of assessment. Conversely, jurisdictions that require smaller amounts of property tax revenue are financially able to operate with lower assessment ratios. Exceptions to this general relationship occur, however, as when a jurisdiction with heavy revenue requirements is fortunate enough to have an unusually large potential tax base (full market value of taxable real estate) and thus is able to operate on a low assessment ratio.

Another finding of these studies by the Farm Economics Research Division, ARS, is that within a large majority of assessing jurisdictions the higher priced improved farm and vacant acreage properties tend to be assessed at lower ratios than those with lower prices. The tendency is not a new one; it has existed for at least a century in many areas in the United States. The Farm Economics Research Division also found that the problem of unequal assessment of improved farms and vacant acreage is especially acute in metropolitan counties. This is undoubtedly associated with the changing land use patterns in these areas, and especially with the transfer of farmland to higher value uses, such as residential, business, and industrial uses.

FARMERS MUTUAL FIRE INSURANCE

The volume of farmers' mutual fire insurance increased from about \$30.4 billion on December 31, 1957, to about \$32.3 billion at the end of 1958 (table 1) - an increase of about 6 percent. During the previous year, the insurance on the books of the farm mutuals increased by about 4 percent.

Loss rates for the 162 sample companies used in making these estimates averaged somewhat higher in 1958 than in 1957 - 15.4 cents per \$100 of insurance, compared with 12.9 cents. Operating expenses increased also from 8.2 to 8.3 cents per \$100. Therefore, the total cost (losses paid plus operating expenses) averaged 2.6 cents per \$100 higher than in 1957 - 23.7 compared with 21.1 cents per \$100.

The safety funds of these companies also increased during the year. For all companies, based on estimates from the sample, the safety funds of the farm fire mutuals amounted to \$202 million at the end of 1958, or 62.5 cents per \$100 of insurance in force at that time. Such funds amounted to 60.0 cents per \$100 at the end of 1957. These funds belong to members and are drawn upon by the companies when necessary, as in years of unusually heavy losses - to pay claims that cannot be met from the current year's assessment income. Therefore, they make it unlikely that the companies will need to levy extra assessments in the high-loss years.

Table 1.- Farmers' mutual fire insurance, United States, 1957-58 ^{1/}

Item	Total amount		Amount per \$100 of insurance ^{2/}	
	1957	1958	1957	1958
	Million dollars	Million dollars	Cents	Cents
Insurance in force on December 31-----	30,400	32,300	---	---
Assessment income-----	86	95	27.5	30.3
Costs:				
Losses-----	39	48	12.9	15.4
Operating expenses-----	25	27	8.2	8.3
Total-----	64	75	21.1	23.7
Safety funds or reserves ^{3/} -----	182	202	60.0	62.5
Increase in safety funds or reserves--	22	20	7.4	6.4

^{1/} Estimates based on reports from 162 identical companies.

^{2/} Based on average insurance in force during year (halfway between the beginning and ending figures) except that safety funds are based on year-end insurance in force.

^{3/} These funds belong to members.

FARM FIRE LOSSES

Farm fire losses were estimated at \$156 million in 1958, which was \$4 million more than the estimate for 1957, and the highest on record.

The level of farm fire losses is established for benchmark (census) years, when the valuation of most insurable farm property is available by States. For such years, the experience of stock as well as mutual companies is used, and consideration is given to the fire losses of uninsured farmers. But estimates of the year-to-year changes between benchmark years are based primarily on the percentage change in fire losses, as reflected by the experience of farmers' mutual fire insurance companies. Therefore, the fire loss figure for 1958 reflects an increase in fire losses paid by these companies (windstorm insurance experience excluded). The experience of identical companies for the current and previous years is compared. There were 162 companies in the sample on which the percentage change for 1958 was based. The sample is picked by using different sampling ratios for each of several size-

of-company groupings. These sampling ratios were predetermined to give maximum efficiency (minimum standard error) for the size of sample used.

FEDERAL CROP INSURANCE

The loss experience in 1958 was the most favorable on record. In all previous years, some crop or part of the country had sufficiently large losses to affect seriously the overall average, but last year premiums collected exceeded indemnities paid for losses on every crop. As a result, the loss ratio in 1958 was only 26 percent, and total premiums collected since the experimental program began in 1948 now exceed indemnities paid by \$2.5 million.

As a result of many improvements in operating methods, this insurance now appears to be on a sound actuarial basis. The program was withdrawn from 14 "dust bowl" counties in 1956 after years of large losses to the Corporation, and in other counties closing dates for applications were advanced to prevent taking out insurance after crop prospects had become unfavorable (table 1).

A standard policy with an endorsement for each crop insured will be used in most counties in 1959. This method, first adopted in 1958, will be in general use in 1960 and is expected to reduce administrative costs and increase the volume of insurance carried. A total of 1,521 crop insurance programs will be offered in 851 counties in 1959 compared with 989 programs in 842 counties in 1957. In table 2 an "insurance unit" usually represents each crop insured by an individual.

Sorghums were added to the list of insurable crops for 1959. Most of the increase in the number of county programs in 1959, as for last year, will come from adding crops (by indorsement) to those previously insured.

HAIL INSURANCE ON GROWING CROPS

In 1958, farmers and landlords bought about twice as much hail insurance as a protection against crop losses than they bought 10 years ago. Except for the 11 Northeastern States, the rate of increase has been about the same in all of the major regions.

In each of the 4 years from 1955 through 1958, Illinois farmers paid about \$10 million for more than a half billion dollars worth of hail insurance protection. Iowa farmers paid about as much in premiums for about one-third billion dollars of hail insurance in the same years. The 8 States in the

Table 1.- Indemnities paid as percentages of all-risk crop-insurance premiums, by program, United States, 1939-58 ^{1/}

Year	Wheat	Cotton	Flax	Corn	Tobacco	Dry edible beans	Multi-ple crops	Citrus fruit	Soy-beans	Barley: Peaches	Total all crops
Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1939-----	164	---	---	---	---	---	---	---	---	---	164
1940-----	151	---	---	---	---	---	---	---	---	---	151
1941-----	168	---	---	---	---	---	---	---	---	---	168
1942-----	134	173	---	---	---	---	---	---	---	---	149
1943-----	172	198	---	---	---	---	---	---	---	---	182
1944-----	2/	2/	---	---	---	---	---	---	---	---	2/
1945-----	45	383	60	165	79	---	---	---	---	---	248
1946-----	53	344	182	83	41	---	---	---	---	---	178
1947-----	64	113	64	221	100	---	---	---	---	---	81
1948-----	58	43	51	17	44	28	6	---	---	---	53
1949-----	145	197	62	16	66	64	16	---	---	---	132
1950-----	52	281	42	126	61	183	94	---	---	---	91
1951-----	106	82	49	238	49	314	165	0	---	---	112
1952-----	85	44	79	25	79	56	233	4	---	---	97
1953-----	125	105	95	17	190	62	91	0	---	---	115
1954-----	142	56	77	56	89	159	150	0	---	---	124
1955-----	126	84	77	146	39	66	141	3	75	---	114
1956-----	109	67	54	335	28	95	128	21	76	36	126
1957-----	60	54	246	46	34	103	83	725	66	51	69
1958 3/-----	16	27	46	56	17	31	37	23	38	77	26

^{1/} Calculated from unrounded data. Wheat, cotton, and flax insured nationally through 1947; on trial basis in selected counties, 1948-58. All other crops on trial basis to date.

^{2/} No program in effect.

^{3/} Preliminary.

Federal Crop Insurance Corporation.

Table 2.- Selected operating data for Federal Crop Insurance programs, United States, 1955-58

Program and year	County programs	Insurance units	Maximum liability	Premium	Indemnity
	Number	Number	1,000 dollars	1,000 dollars	1,000 dollars
Wheat:					
1955-----	400	152,284	125,245	13,212	16,681
1956-----	389	143,059	114,059	11,307	12,342
1957-----	390	117,330	88,363	8,107	4,859
1958 1/-----	394	119,414	97,496	9,446	1,486
Cotton:					
1955-----	101	25,906	23,718	1,251	1,055
1956-----	116	36,922	29,872	1,693	1,137
1957-----	119	25,635	18,035	1,107	593
1958 1/-----	118	16,223	12,629	762	208
Flax:					
1955-----	50	15,150	6,011	774	544
1956-----	52	13,415	5,566	647	347
1957-----	52	10,671	4,408	514	1,265
1958 1/-----	55	9,716	3,558	411	188
Corn:					
1955-----	102	35,538	27,164	1,366	2,011
1956-----	113	49,707	41,037	2,709	9,087
1957-----	115	40,456	28,319	2,230	1,025
1958 1/-----	207	37,977	32,128	2,078	1,154
Tobacco:					
1955-----	127	131,997	72,482	2,722	1,073
1956-----	143	114,329	59,113	2,176	613
1957-----	149	95,536	46,582	1,629	558
1958 1/-----	151	90,992	48,221	1,652	282
Dry edible beans:					
1955-----	17	3,624	2,035	135	89
1956-----	16	3,072	1,868	124	118
1957-----	16	2,817	1,697	107	110
1958 1/-----	18	3,248	2,251	132	41
Multiple crops:					
1955-----	83	41,459	51,323	2,827	4,024
1956-----	101	60,310	51,718	3,235	4,144
1957-----	124	69,327	48,000	3,346	2,785
1958 1/-----	100	46,052	31,913	2,063	757
Citrus fruits:					
1955-----	2	490	1,414	94	3
1956-----	2	1,118	1,529	107	23
1957-----	2	973	1,481	95	689
1958 1/-----	4	1,628	4,071	265	60
Soybeans:					
1955-----	6	1,241	455	28	21
1956-----	7	1,600	687	45	34
1957-----	7	1,400	743	50	33
1958 1/-----	136	14,421	7,565	502	193
Barley:					
1956-----	9	1,931	1,294	102	39
1957-----	14	2,791	2,518	190	66
1958 1/-----	29	4,940	3,861	312	119
Peaches:					
1957-----	1	113	148	37	19
1958 1/-----	1	128	306	48	38
Total, all crops:					
1955-----	888	407,689	309,847	22,339	25,501
1956-----	948	425,463	306,743	22,145	27,889
1957-----	989	367,049	240,294	17,412	12,002
1958 1/-----	1,213	344,739	244,000	17,670	4,525

1/ Preliminary.

Northern region (5 Corn Belt and 3 Lake States) have accounted for about half of the total crop-hail insurance in the last 10 years. In this region, corn is the leading crop insured (table 1).

The amount of crop-hail insurance carried in the Great Plains States varies from year to year, depending on crop conditions. Most of the insurance is carried on wheat. In the amount of insurance carried, North Dakota and Texas are the leading States, followed closely by Kansas. The higher premium rates in this region reflect the greater probability of crop loss from hailstorms than in the other regions.

Most of the crop-hail insurance in the 12 Southern States is carried on tobacco, with North Carolina accounting for about half of the total liability. Tobacco is also the most important crop insured in the 11 Northeastern States. There Connecticut has the largest amount of coverage. Montana and Washington farmers carry more hail insurance, chiefly on wheat, than do farmers in any of the other 11 Western States.

RAINFALL AND CROP YIELDS IN TEXAS

Rainfall data are seldom available for precisely the same locations for which yield data are known. Therefore, the publication of a related series for 41 years (1916-56) and for two crops (cotton and sorghum) may be of special interest to some readers. 1/ This series appears in a study, "Economic Returns from Grain Sorghum Fed to Steer Calves on Dryland Farms of the High Plains," published as MP 295, by the Texas Agricultural Experiment Station, College Station, Texas, August 1958, in cooperation with the Farm Economics Research Division. Authors were William F. Hughes, Fred E. Keating, John H. Jones, and William C. Moldenhauer.

Further analysis of data included in this publication indicates that after enough rain (8 to 10 inches) each additional inch of rainfall increased the yield of lint cotton by an average of 14 pounds per acre. 2/ Similarly, for each additional inch of rainfall after the minimum, the yield of sorghum

1/ Interest in measuring weather risk stems from the possible future use of an "area" plan of crop insurance, particularly for pasture crops. Under an area plan, all growers (or none) would receive indemnities in the same year. Whether an indemnity is payable would depend only upon the size of the area annual yield. Thus, the amount of an indemnity would not depend on the yields obtained by individual growers. The Canadian Prairie Farm Assistance Act is operated as an area plan. (See AFR for November 1955.) Other discussions of area plans include: "Actuarial Structures for Crop Insurance," by Halcrow, Journal of Farm Economics (JFE), August 1949; "A Specific Risk Scheme for Wheat Crop Insurance," by Sanderson, JFE, November 1943; "A Crop Insurance Proposal," by Aandahl, Iowa Farm Science, August 1946.

2/ $Y = 13.9X - 18.6$, in which Y = yield per acre and X = rainfall in inches.

Table 1.- Hail insurance on growing crops, regions and United States, 1948-58

Year	Insurance in force ^{1/}					Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	United States
	Northeastern States	Northern States	Southern States	Plains States	Western States						
1948-----	19	685	139	292	154	1,289					
1949-----	18	630	157	356	79	1,240					
1950-----	13	595	153	212	91	1,064					
1951-----	10	703	227	306	125	1,371					
1952-----	14	799	264	365	147	1,589					
1953-----	20	958	271	345	183	1,777					
1954-----	23	1,088	285	357	153	1,906					
1955-----	27	1,181	328	345	186	2,067					
1956-----	22	1,198	320	377	195	2,112					
1957 ^{2/} ----	19	1,300	300	555	290	2,464					
1958 ^{2/} ----	19	1,275	300	660	315	2,569					

^{1/} By mutual and stock companies and State hail departments.

^{2/} Preliminary.

increased by an average of 64 pounds per acre. ^{3/} For the 41-year period, the average annual rainfall was 18.05 inches; the average yield of lint cotton was 232 pounds; and the average yield of sorghum was 1,055 pounds.

When the years were grouped by amount of rainfall and an average yield was computed for each group, it was found that as percentages of the 41-year average yield, these averages were distributed as shown below:

Rainfall September through August (inches)	Years	Average yield as percentage of 41-year average yield	
		Lint cotton	Grain sorghum
	Number	Percent	Percent
Under 7-----	2	0	0
7 to 9.9-----	2	19.6	49.0
10 to 12.9-----	4	58.5	64.1
13 to 15.9-----	8	100.2	84.3
16 to 18.9-----	9	91.4	97.5
19 to 21.9-----	4	133.0	121.1
22 to 24.9-----	7	119.5	109.7
25 or over-----	5	166.5	188.4
Total or average----	41	100.0	100.0

ECONOMIC VALUE OF FARM WOODLOTS

The economic value of a productive farm woodlot has increased in recent years because of the growing demand for wood products, particularly for (fast-growing) pulpwood, and the wider adoption of better forest-management techniques. With higher prices for timber, there is more incentive among farmers with relatively small woodlots to practice sustained-yield forestry.

Table 1, which shows the economic valuation of farm woodlots, may serve as a general guide to help farmers make decisions both as to how much they can wisely pay per acre for woodland, and to indicate limitations in the amount that can be spent for improvements, fire protection, insurance, and so forth. The table illustrates the present worth of an annual net income of \$1 per acre for specified yield periods at specified interest rates.

^{3/} Y = 63.2X-85.9. During the first part of the period (1916-40), yields for dwarf yellow milo sorghum were used; thereafter, yields were applicable to combine-type sorghums.

Table 1.- Present value per acre of forest land yielding \$1 of net annual income for specified yield periods, by specified interest-rate assumptions ^{1/}

Assumed interest rate (percent)	Length of yield period (years)			
	20	30	50	Continuous
	Present value of \$1 net annual income per acre			
	Dollars	Dollars	Dollars	Dollars
2 1/2-----	15.59	20.93	28.36	40.00
3-----	14.88	19.60	25.73	33.33
3 1/2-----	14.21	18.39	23.46	28.57
4-----	13.59	17.29	21.48	25.00
5-----	12.46	15.37	18.26	20.00

^{1/} Table may be used for any net income per acre. Example 1: At 3 percent, the present value of an annual net income of 90 cents per acre for 20 years is \$13.39 (or 0.90×14.88). Example 2: At 4 percent, the present value of an annual net income of \$1.20 per acre for 30 years is \$20.75 (or 1.20×17.29).

FOREST FIRE INSURANCE IN NORWAY ^{1/}

Forest fire insurance in Norway is unique in that it furnishes protection only for young growing trees and damage to the forest floor that might retard the development of future stands. An owner may insure trees up to 8 inches in diameter (breast high) and if he elects coverage, he must insure all of his acreage; he cannot insure part of it. Experience has shown that the larger trees are not seriously affected by fire, as fire-damaged trunks can be marketed at almost the full price and any resulting (small) financial loss would not justify the cost of administering insurance on merchantable timber.

The Norwegian Mutual Forest Fire Insurance Company (det norske gjensidige Skogbrandforsikringsselskap) was organized in 1912, following a movement to safeguard timber resources which began in 1898 with the formation

^{1/} From materials supplied by Rasmus Heggdal, Agricultural Attache, Norwegian Embassy, and an article, "Forest Fire Insurance in Norway," by Julius Nygaard, in Skogbrukeren, reprinted from Journal of Forestry, Vol. 49, No. 5, May 1951.

of the Norwegian Forestry Association. In line with the general objectives of the association and the mutual company, the program and basic law provided for protection of forest resources. The Forest Board may require an owner of timber damaged by fire, storm, avalanche, insect infestation, and so on, to undertake appropriate restoration measures. If the tract is insured, the Board may require him to set aside for restoration up to 20 percent of any indemnity received. The insurance company, in such cases, is responsible for withholding this percentage of the indemnity payment until an investigation and recommendations are made by the Forest Board.

The program has spread widely. By the early fifties, about 80 percent of private forestry valuations were insured. The amount of insurance that may be carried on any tract is optional with the owner. Under a coinsurance clause, the more nearly the insurance is in line with values, the greater is the recovery as a percentage of damage.

In the early days of the program, the annual premium was \$1.25 per \$1,000 of insurance. Later, after good experience and accumulation of substantial reserves, the premium was gradually lowered. Recently, a decision was made to forego further annual premium payments after an insured had been in the program for 22 years. Interest on his share in the reserve was sufficient to pay estimated future claims and expenses.

A new owner may buy a "perpetual" policy on his woodlands by paying a single premium of 18.3 kroner per 1,000 kroner of insurance protection. Thus by paying a single premium, the owner saves about 25 percent of the total payments, disregarding interest, that would ordinarily be paid over the 22-year period. The owner has other alternatives. He can get his insurance in perpetuity by arranging to make five annual payments at the rate of 3.9 kroner per 1,000 kroner of protection; or by the annual payment of 2.1 kroner per 1,000 kroner of protection for a 10-year period; or he can get it by paying 1.1 kroner per 1,000 kroner of protection annually over the 22-year period.

A special fund, created out of a 10-percent tax on the gross sales of his forest products, is available to the owner for use in improving his forest roads, for reforestation, and for other improvements. An owner may use his share of the fund for construction and improvement of roads used for timber transport, for construction, repair and maintenance of cabins used by forest workers, for clearing and thinning of trees, for reforestation, and for other necessary outlays connected with forestry. He may do this without advance approval of the forest supervisory authority. However, advance approval is required for outlays that are only indirectly related to forestry, such as the payment of insurance premiums. The permitted use of the investment fund for payment of insurance premiums has helped to promote that program.

Compensation for damages is paid on the basis of a 100-percent coinsurance clause. For example, if insurance at \$7,000 is carried on woodland valued at \$8,000 just before the loss, the compensation would be \$4,375 in

the case of damage appraised at \$5,000 (as $\frac{7,000}{8,000} \times 5,000 = 4,375$). If damage per acre is appraised as an average figure for the tract, it is then multiplied by the acreage in the tract and, finally, by the ratio of insurance to value with respect to the whole tract, to obtain the aggregate indemnity payment.

Table 1.- Norway: Volume of forest fire insurance in force and loss rate, by years, 1946-57

Year	Insurance in force	Loss rate per million kroner
	Million kroners	Kroners
1946-----	442	102
1947-----	467	163
1948-----	489	34
1949-----	510	47
1950-----	522	188
1951-----	538	3
1952-----	563	26
1953-----	574	13
1954-----	586	54
1955-----	652	97
1956-----	776	104
1957-----	832	28
Total or weighted average-----	6,951	69.4

Data supplied by A. Langsaeter, Director of Forestry, Royal Department of Agriculture, Oslo.

1957 FARM ACCIDENT SURVEY IN TEXAS

Farm machinery, automobiles, and other machinery accounted for nearly 30 percent of all farm injuries according to a accident survey undertaken in 1957 by 6,000 Future Farmers of Texas. Sports accounted for another 15.1 percent; cutting instruments, 14.6 percent; animals, 12 percent; falls, 9.1 percent; burns, 6 percent; blows, 4.5 percent; strains, 3.3 percent; firearms, 1.7 percent, and all others, 3.4 percent.

Table 2.- Norway: Volume of forest fire insurance, losses paid and loss rates, 1946-57

Year	Amount of insurance	Fire losses paid	Fire loss rate per million kroner
	Kroners	Kroners	Kroners
1946-----	441,869,995	45,208	102.31
1947-----	467,447,199	76,361	163.36
1948-----	489,219,347	16,525	33.78
1949-----	509,622,636	23,779	46.66
1950-----	522,024,898	98,016	187.76
1951-----	537,824,128	1,731	3.22
1952-----	562,805,900	14,576	25.90
1953-----	573,675,285	7,626	13.29
1954-----	586,484,232	31,659	53.98
1955-----	651,657,427	63,174	96.94
1956-----	776,450,483	80,433	103.59
1957-----	831,756,127	23,448	28.19
12 years-----	6,950,837,657	482,536	69.42

Data supplied by A. Langsaeter. Director of Forestry, the Royal Department of Agriculture, Oslo, Norway.

Two-thirds of those injured were under the age of 20. Farm machinery accounted for most accidents during June, July, and August. Sports led in number of farm accidents occurring in the fall.

The average estimated cost of each accident was \$70 and the average amount of time lost was 19 days. On the basis of expanding the ratios in the survey to the entire farm population of Texas, it seems that there were about 92,000 farm accidents in 1957, and that these accidents cost approximately \$6.5 million and involved 1.75 million days of lost time.

The survey was sponsored by the Youth Committee, Texas Farm and Ranch Safety Council, Texas Safety Association. The data were compiled and mimeographed by A. V. Chambers of Dallas, Tex.

NATIONAL FARM SAFETY INSTITUTE

State farm safety specialists will place emphasis during 1959 on two important areas of farm safety: (1) The safe handling of tractors and (2) the safe use of electricity. This decision was made at the 13th annual meeting of the National Farm Safety Institute, held at Edgewater Park, Miss., in 1958. The 1959 meeting will be held at Robert Allerton Park, Ill. June 8 to 11, with O. L. Hogsett, Farm Safety Specialist, University of Illinois, as host.

The group of specialists from 23 States decided to continue the farm safety workshop sessions set up last year. The Institute considered enlarging its scope to include home-safety representation. A resolution commending the Department of Health, Education and Welfare for its current study of sickness and nonfatal accidents was adopted.

Tentative plans call for major emphasis to be given to problems centering around traffic and machinery-caused accidents during 1961.

Conditions under which agricultural employment is subject to the various State Workmen's Compensation statutes, are listed in the publication, "State Workmen's Compensation Laws", Bulletin 161 (rev.), August 1957, issued by the Bureau of Labor Standards, Department of Labor, Washington, D.C. This publication brings to date the applicability of this insurance to farm employment as listed in an article, "Increase in Farm Liability Risks and Availability of Insurance", in this publication for October 1952, pp. 48-59; and in U. S. Department of Agriculture, Agriculture Information Bulletin 122, "Legal Liability Risks and Insurance Protection for Farmers", published in 1954.

BOOK*REVIEWS

Fessler, M. E., Hail Insurance on Kansas Wheat, 154 pp., illus., Bureau of Business Research, School of Business, University of Kansas, Lawrence, Kans., 1958. Price not shown.

This is a valuable addition to the scanty literature on hail insurance on growing crops. The book is divided into nine sections, with the first four summarizing information from various sources on hailstorms and their estimated destruction of crop values in Kansas. The fifth and sixth sections describe the crop-hail policy and loss adjustments, and variations in loss costs, respectively. The seventh section deals with premium rates. It discusses the rate changes from 1920 to 1956, special policies, and the reliability of past experience for areas as small as townships and counties. Section 8 is on crop-hail insurance and the crop owner, with special emphasis on the relationship between hail and all-risk crop insurance, and on the use of deductible policies. A summary of the results and conclusions appears in the final section. The text is supplemented by 25 tables and 24 figures.

The purpose of this study is well stated in the preface:

"Although this country has experimented with various forms of crop insurance, both private and public, for a period of over 50 years, there is still much that needs to be known about rate setting, contract forms, and loss adjustment to make such insurance attractive to both the insurer and the insured."

The study was made possible through the cooperation of the Crop-Hail Insurance Actuarial Association in furnishing the insurance experience necessary for the statistical analysis.

As 94 percent of the reported hail insurance had been carried on wheat the actuarial problems were simplified. Differences in loss costs between crops could be ignored. The variability of loss costs for small areas was found to be large, partly because too few fields were insured to be representative.

"For 12 counties it was estimated that over 300 more years of data may be necessary to establish average loss costs within \$1.00 of the actual loss costs, with 95 percent confidence. For some townships with widely variable loss experience, it was estimated that perhaps more than 1,000 years of experience may be necessary to achieve similar reliability."

No attempt was made to reduce the variability by combining the experience of several counties into larger areas or districts.

Loss costs using township data, were found to increase moving from east to west across Kansas, and to increase also with the elevation of the township. Multiple regression analysis indicated an average increase in loss costs of 10 cents per \$100 of insurance for each shift of a township (6 miles) westward and an equal increase in loss costs for each 100-foot elevation increase.

In 1920, premium rates for the standard policy form varied from \$3.00 per \$100 of insurance in eastern Kansas to \$10.00 per \$100 of insurance in the northwestern part of the State. By 1956, comparable premium rates ranged from \$3 to \$20. The author comments, "It appears that a lower rate could be granted in some low loss areas. The \$20.00 maximum rate appears adequate on the basis of current county experience."

The sound analytical approach and many specific conclusions make this well worth reading by those who are interested in hail or crop insurance. It is to be hoped that comparable studies will be made for other States or areas.

This reviewer endorses the concluding paragraph:

"A better understanding of the problems confronting the crop owner and the crop-hail insurer can be gained by making information relevant to these problems available to all concerned. It is to be expected that, through the recognition of the problems and through the cooperation of insurers and insureds, benefits will accrue to both groups and that the services provided by the insurers will be more valuable in the future."

John C. Ellickson

Ray, P. K., Principles and Practices of Agricultural Insurance, Ganesh Chandra Bose for Bookland Private Limited, 1 Sankar Ghosh Lane, Calcutta 6, India, 1958. Pp. 365. Rs. 18.

This book on agricultural insurance is a revision and enlargement of a Ph. D. thesis written in 1951 by the author while at Oxford. ^{1/} Dr. Ray, is

^{1/} A copy of the book may be obtained in this country from any of the following agents of the publisher: Sidney Kramer, 1722 H Street, N. W., Washington 6, D. C.; Kelley and Millman, 400 West 23rd Street, New York 11, New York; Barnes and Noble, 105 Fifth Avenue, New York 3, New York; and Stechert-Hafner, 31 East 10th Street, New York 3, New York.

now an economist with the Food and Agriculture Organization of the United Nations, in Rome. He was a gold medalist of Calcutta University and a former professor of economics and agricultural economics of Bangabasi College in Calcutta.

In his foreward to the book, Dr. Colin Clark of the Agricultural Economics Research Institute, Oxford, says: "It is the merit of Dr. Ray's work that it deals in a pioneering way with the various kinds of insurance available to farmers, the actuarial problems involved, and the different types of organizations which underwrite agricultural insurance." In discussing the problem of uncertainty and risk in agriculture, Dr. Clark further commented: "Their special impact on the farmer, however, and the means which have been developed to relieve him from their full burden, have been largely neglected as a subject of systematic study in the English-speaking world."

The first four chapters of the book deal with actuarial considerations of agricultural risks. The author cites the gains that have been made from studies of the probabilities of occurrence of the various types of hazards. He calls attention also to the need for additional information on the degree of damage, an important part of the total information needed but difficult to obtain. Information about both the frequency and severity of losses would enable actuaries to build a better basis for insurance.

Dr. Ray considers also various statistical techniques as applied to insurance, such as the use of a standard deviation and a coefficient of variation in rate making, and discusses use of normal-curve theory as a means of developing crop-insurance rates to cover crops when farm data are not available. Livestock mortality tables, or death rates, are shown also.

Part 2 of the book presents a consideration of the principles and practices of insurance as they apply to agriculture. Six chapters deal with the following: Hail insurance on growing crops, all-risk crop insurance, livestock insurance, insurance of farm stock against fire, farm tractor and farm engineering insurance, and liability insurance for farmers.

Part 3 discusses types of insurance organizations and related problems. Two chapters deal with the nature and operations of insurance organizations - one with private insurance and the other with public insurance.

The author discusses the livestock insurance programs operated in or planned for 14 countries. The crop insurance programs of Bulgaria, Denmark, Finland, France, Germany, Greece, Japan, Switzerland, the United States, and Russia are discussed. Hail insurance programs in Bulgaria, Canada, England, Germany, France, the United States, and Switzerland are reviewed also.

As to type of organization, the author discusses the differences between insurance programs that operate on a voluntary basis and those operated by the State as compulsory ventures. The following advantages for compulsory public insurance are listed: (1) It assures a measure of security to all, at least to the extent of the coverage granted, (2) it is relatively easy to administer; and (3) it saves the underwriters any cost of promoting the insurance.

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The disadvantages of public compulsory insurance programs cited in the book are: (1) It interferes with the freedom of choice of the individual and the premium cost is burdensome to some persons who may have little need for the insurance; (2) because it is free from competition, the insurer is more inclined to use a broad classification system for rating risks, which leads to inadequate differentiation between risks; and (3) as compulsory insurance usually means that the State shares in the cost, certain people (having normally higher risks) are benefited at the expense of the rest of the community.

Dr. Ray points out also, that a program such as that of the Federal Crop Insurance Corporation in the United States may be important from the standpoint of an experiment to furnish the private insurance industry with sufficient facts for undertaking this kind of insurance.

Perhaps Dr. Ray's greatest contribution was to assemble in an orderly fashion the details of various kinds of agricultural insurance programs that are in use throughout the world. His book therefore establishes a benchmark in this field. It calls attention also to the many problems involved, including nonparticipation by farmers in existing voluntary programs.

The book will stimulate the thinking of those who are interested in agricultural insurance here and elsewhere. It is hoped it will encourage others to attempt studies in this field.

John D. Rush

According to an article, "What are farm buildings worth?", by Dr. J. H. Atkinson, Purdue University, appearing in the Mutual Insurance Bulletin for October 1958, a barn built in the late thirties at a cost of \$3,000 would have a current replacement cost of about \$8,000.

Insurance companies usually limit their insurance to replacement cost less depreciation. Figuring depreciation at \$200 a year (based on a life of 40 years and a replacement cost of \$8,000), the old barn would still have an insurable value of about \$4,000, or more than its original cost 20 years ago.

Farmers would find it a good idea to estimate their actual building values (replacement cost new less depreciation) to see whether they carry adequate insurance.

RESEARCH PROJECTS IN AGRICULTURAL FINANCE

Agricultural Credit, Farm Financial Management, Agricultural Risks and Insurance, Farm Taxation, Local Government and Public Finance, and Farm Real Estate Values

The following research projects are currently "in progress" in the field of agricultural finance in the State agricultural colleges and State agricultural experiment stations, and in the Farm Economics Research Division, ARS, unless otherwise indicated. Projects listed by States were reported directly by the State institutions. The objectives of each project are briefly described. This list does not include the many related research activities of other agencies, such as projects of the Farm Credit Administration, the Farmers Home Administration, and the State tax commissions, much of whose research is directed primarily toward administrative problems.

AGRICULTURAL CREDIT

Alabama: FINANCING BEEF AND DAIRY PRODUCTION.- The major objectives of this project are to determine capital requirements, credit needs, and potential returns of forage-livestock systems of farming that involve beef and dairy production. One or more major type-of-farming areas of the State will be selected for study. Four groups of farms are to be considered: (1) Farms whose operators have succeeded in establishing commercial beef and dairy enterprises; (2) farms whose operators have failed in their attempts to establish enterprises of this kind; (3) farms whose operators have made no attempt to establish such enterprises; and (4) farms whose operators are now in process, or are interested in the possibilities, of establishing commercial beef and dairy enterprises. Capital requirements, credit needs, and potential returns will be worked out for farms of various sizes, with various combinations of enterprises and production practices, and under varying price conditions. Budget analyses and other appropriate statistical techniques are to be used. Suggestions will be made as to the possibilities and desirabilities of changes needed in farm-lending practices and policies, and guides will be up for amounts that might safely be loaned or invested by farmers on beef and dairy farms under varying conditions. Leader: Ben T. Lanham, Jr.

Alabama: CREDIT EFFECTS ON FARMERS' DEMANDS FOR FERTILIZER IN ALABAMA.- The major objectives of this project are (1) to determine the kinds and amounts of fertilizer used on specific crops and pastures, (2) to study the relationship between farmers' use of and access to credit, and their buying, storing, and applying practices as related to fertilizer and lime, (3) to determine the policies of credit agencies relative to terms of repayment, rates of interest, security required, and other pertinent data related to fertilizer loans as compared with other production loans, and (4) to determine the acceptance of high-analysis fertilizers, and the characteristics

of farms and farmers using high-analysis fertilizers, and to explore the possibilities for greater use of such fertilizers through adequate financing or otherwise. Basic data for the study are to be obtained from a representative sample of farmers in all major type-of-farming areas in the State, and from a sample of lending institutions and individuals making fertilizer loans to farmers. The project is cooperative between the Alabama Agricultural Experiment Station and the Tennessee Valley Authority. Leader: Joseph H. Yeager; Assistant Leader: Owen D. Belcher.

Alabama: FINANCING OF RURAL HOUSING.- The major objectives of this project are (1) to examine and evaluate the institutional framework of existing sources of credit for the construction or improvement of rural homes, or both, (2) to examine and evaluate the practices and uses of existing credit facilities by rural families, and to determine their adequacy in terms of the needs of rural people, (3) to determine the extent to which rural housing, within the ability of rural people to pay, is not now available because of the inadequacy of rural housing credit facilities, and (4) to reveal possible refinements and improvements needed in existing rural housing credit institutional policies and practices to meet the needs of rural people. Basic data for the study are to be obtained from a representative sample of rural residents in the "Old Cotton" South - Mississippi, Alabama, Georgia, and South Carolina. Additional data are to be obtained from a sample of all major institutional and individual lenders in the area that are either actual or potential lenders for rural housing. Secondary data will be used also when available and if appropriate. The project is to be handled under provisions of a contract-grant fund arrangement between the Alabama Agricultural Experiment Station and the Federal Housing and Home Finance Agency. Control-check studies on a less intensive basis are being carried out in Colorado and Missouri. Leaders: Ben T. Lanham, Jr. and J. H. Yeager; Assistant Leaders: Boyd B. Rose and James R. Hurst.

Arkansas: FARMER'S USE AND KNOWLEDGE OF CREDIT IN SELECTED COUNTIES OF ARKANSAS.- The objective of this study is directed toward ascertaining the magnitude and use of credit for production, real estate, and other purposes on cotton and general farms in the Delta counties of northeastern Arkansas. Information is being obtained from both borrowers and lenders. Policies and terms are being analyzed for the major types of loans and agricultural credit agencies. The producer phase is concerned with the use made by farmers of the various sources of credit and the type of loans obtained. In addition, information is being obtained on their knowledge of alternative sources, and why they prefer to use the particular source of credit which they are using. Leader: Jim J. Gigoux.

California: ECONOMICS OF ADJUSTMENTS ON CALIFORNIA COTTON FARMS.- This study undertakes to analyze the physical and financial organization, enterprise structure, and earning performance of typical cotton farms before and after the 1954 cotton acreage allotments. It considers changes in enterprises, capital goods and investments and production technology, and evaluates the resulting economic impacts on total farm earnings. Leaders: Trimble R. Hedges and J. Edwin Faris; Douglas Caton and M. L. Upchurch (cooperative with FERD-ARS, USDA).

California: CAPITAL STRUCTURE OF CALIFORNIA AGRICULTURE.- A large-scale inquiry into the capital structure and requirements of major California agricultural industries. It is planned to commence operations with an analysis of the capital requirements of the dairy industries of southern California. This project is supported partly by a grant from the Bank of America, N. T. & S. A. Leader: Chester O. McCorkle.

California: COOPERATIVE FINANCING THROUGH REVOLVING FUNDS.- A large-scale and continuing analysis of the requirements of California cooperatives for financing and the means of meeting such needs through revolving fund methods. California Agricultural Experiment Station Project No. 1474. Leader: James M. Tinley.

Colorado: FINANCING OF RURAL HOUSING IN THE DRYLAND WHEAT AREA OF EASTERN COLORADO.- A survey is underway to determine the financial needs, desires, and practices of rural residents in their use of housing credit and any reluctance or inability of rural people to utilize existing credit facilities. A survey of lenders is underway to evaluate existing institutional lending practices and policies in regard to rural housing and to reveal possible modifications needed in rural housing credit facilities. Leader: Irving F. Davis, Jr.

Connecticut: AGRICULTURAL CREDIT INSTITUTIONS.- The purpose of this project is to examine the capital problem as a whole, credit requirements and lender specialization, lender policies, and problems of agricultural finance. This study is part of the program of the National Bureau of Economic Research, Inc. Leader: George K. Brinegar.

Indiana: SOURCES, USES AND CHARACTERISTICS OF INTERMEDIATE-TERM CREDIT.- The objectives of this study are: (1) To determine the amounts and characteristics of intermediate-term credit extended by various lenders; (2) to compare characteristics of intermediate and short-term credit; (3) to outline factors that should be considered by both lender and borrower in the use of intermediate-term credit. Leader: J. H. Atkinson.

Indiana: ECONOMIC EFFECTS OF FIELD RENTING ON RESOURCES USED.- The objectives of this study were: (1) To determine the way in which resources are used on part-owner farms; and (2) to determine leasing arrangements on field-rented tracts. Comparisons were made with fully rented and owned farmers to arrive at an estimate of efficiency of farming operations on field-rented tracts. Data were collected also on the nature of leasing arrangements on field-rented tracts compared with farms rented as entire units. Many of these data have been analyzed. Leaders: J. H. Atkinson; M. R. Janssen (cooperative with FERD-ARS, USDA).

Indiana: **MARKETING AND FINANCING INDIANA'S POULTRY CROP.**- This study is intended to determine the effects of financing arrangements on the production and marketing practices, channels used, prices received, and quality of poultry sold, with special reference to broilers and turkeys. Leader: R. L. Kohls.

Kansas: **AGRICULTURAL CREDIT AND FINANCE.**- Studies of needs, sources, and use of short-, intermediate-, and long-term credit will be made in various parts of the State. Special emphasis is given to the use of credit in establishing such farm improvements as irrigation, and the increased costs and returns resulting from such improvements. A continuing series of prices reported for land with improvements, also pastureland, are kept current by type-of-farming areas in Kansas. Cash rentals for pastureland are calculated for each county and averages for the areas. Leaders: Merton L. Otto and Harold Ramsbacher.

Louisiana: **FARMERS' COOPERATIVE BUSINESS ORGANIZATIONS IN LOUISIANA.**- This project is intended as (a) a survey of farmers' cooperative business organizations in Louisiana. It will include collection of data on membership, marketing agreements, volume of business, financing, and annual directory by type of organization. (b) A study of the obtaining of farm supplies through cooperatives: Organization, financial arrangements, integrated relationships. Leader: E. P. Roy.

Maine: **FINANCIAL STRUCTURAL REQUIREMENTS DESIRED FOR CONTINUED DEVELOPMENT OF MAINE AGRICULTURE.**- Objectives are: To appraise financial (fiscal) input and output factors in both production and marketing on Maine farms and to suggest financial structural changes to meet changing agriculture in production and marketing. The procedure for this study will consist of three phases: (1) Assembling of secondary information supplemented by personal surveys on (a) capital structures and operating costs, (b) taxes paid, directly and indirectly and (c) market outlets of farm production. (2) Analysis to provide information on (a) amounts of credit obtained and needed for efficient operation and the cost of such credit, (b) taxes paid in relation to approximate gross and net income and (c) quantity and quality of agricultural products sold through various market outlets. (3) A synthetic approach to meeting fiscal requirements for changing agriculture. Leaders: Aaron C. Johnson and Charles H. Merchant.

Michigan: **ATTAINING FARM OWNERSHIP THROUGH LAND CONTRACTS.**- A study of the legal and economic aspects of attaining farm ownership through the use of land contracts. Data now assembled from 101 buyers and 33 sellers by the field-visit procedure. Leader: E. B. Hill.

Michigan: **RESOURCE CONTROL AS IT LIMITS ECONOMIC EFFICIENCY IN MICHIGAN DAIRYING.**- (1) An appraisal of the importance of certain institutional policies as they affect the productivity of resources devoted to dairying;

(2) an appraisal of the institutional changes that may be necessary to attain needed production from the Michigan dairy industry. Leaders: Glenn L. Johnson and G. I. Trant.

Michigan: THE SUPPLY OF CREDIT FOR INDIVIDUAL FARMS.- An attempt to measure the quantities of credit available for a schedule of interest rates under various equity conditions. Leaders: Glenn L. Johnson and Sidney Bell.

Michigan: INCORPORATION AS IT INFLUENCES THE USABILITY OF CREDIT IN MANAGING ESTATES. Leaders: Glenn L. Johnson and Paxton Marshall.

Minnesota: AN ANALYSIS OF RETAIL FEED DEALERS AS A SOURCE OF PRODUCTION CREDIT FOR MINNESOTA FARMERS.- The objectives of this study are: (1) To survey retail feed dealers to learn the extent to which they engage in the granting of "accounts receivable" credit and the terms of this credit; (2) to make case studies of several of these dealers in order to determine the cost of this credit; (3) to investigate the degree of shifting this cost to the farmer; (4) to evaluate this source of credit as to its desirability to both dealer and farmer; and (5) to investigate alternative sources of credit to fulfill this credit need. Leaders: Reynold P. Dahl and Richard J. Herder.

Missouri: ANALYSIS OF THE LIQUIDATION OF PRODUCTION LOANS.- The purpose of this study is to determine the relationship between size of business and the buyer's equity as shown by his financial statement and rate of liquidation of production loans. The data will come primarily from financial statements submitted by people who borrow from production credit associations and the Farmers Home Administration. Some data may be obtained from commercial banks. Leaders: Frank Miller and John Hildebrand.

Montana: AGRICULTURAL CREDIT.- An analysis of intermediate- and short-term credit divided into two subprojects, one dealing with the availability of credit and lenders' attitudes with respect to credit in dryland farming in the Great Plains part of Montana, and the second concerning itself with the use of credit and farmers' attitudes with respect to credit in the same areas. These two studies will supply the data necessary to incorporate credit as a tool into a larger study of organizational adjustments and management strategies available to farmers in areas with highly variable returns associated with weather variability. Leaders: Don Bostwick, James Esmay, Gordon Rodewald, and Clarence Jensen (cooperative with FERD-ARS, USDA).

Nebraska: KNOWLEDGE OF ATTITUDES TOWARD, AND USE OF CREDIT AMONG, NEBRASKA FARMERS.- Objectives are: (1) To determine the sources and amounts of credit used by farmers, the purposes for which the money was obtained, and the terms on which it was borrowed; (2) to ascertain the factors that tend to restrict unduly farmers' use of credit; and (3) to provide information to farmers and to credit agencies that will facilitate credit financing of agriculture. Leader: Loyd K. Fischer.

Nevada: AGRICULTURAL FINANCE IN NEVADA, WITH EMPHASIS ON THE SOURCES, NEEDS, USES, AND COSTS OF CREDIT FOR DIFFERENT TYPES OF FARMS AND RANCHES. Objectives are: (1) To determine the sources, needs, uses, and costs of long- and short-term credit used by different types of farmers and ranchers in Nevada; (2) to study the terms and conditions under which loans are made to farmers and ranchers by different types of credit agencies; (3) to study the unique financial problems and special credit needs of low-income farmers and those located in high-risk areas; (4) to determine the effect of credit on time of marketing livestock and other farm products and on the quality of products marketed; (5) to determine the factors causing the breakdown of loans to Nevada farmers and ranchers. Leader: Eldon E. Wittwer.

New Mexico: AVAILABILITY AND USE OF AGRICULTURAL CREDIT IN NEW MEXICO.- The purpose of this study is (1) to learn the availability to and use of credit by agricultural producers of New Mexico, (2) to analyze credit programs of credit agencies and of farm operators to determine continuity of loans to certain operators by certain banks and cost of credit from various sources; (3) to learn the need for additional sources or types of credit for commercial operators; and (4) to ascertain the economic uses that low-income farm families might make of additional credit if it were available. Leader: James R. Gray.

North Carolina: FAMILY-TYPE FARM RESEARCH PROJECT.- This is a cooperative undertaking by the North Carolina Agricultural Experiment Station, the Farmers Home Administration, and the North Carolina Rural Rehabilitation Corporation. Objectives: (1) To determine what constitutes an efficient family-type farm-management unit; (2) to determine the expenditures of funds that would be required to accomplish most efficiently an adjustment of land and family resources on family-type farms; (3) to ascertain the conditions under which credit should be extended in a farm-adjustment program; and (4) to ascertain the amount of funds required to enable qualified farm families to carry on successful farming operations and to maintain acceptable standards of living from farm income with proper planning and the use of modern technology. No limit is placed on the funds to be loaned to an individual family. The amount actually loaned is based largely on the objectives of the study and the managerial ability displayed by the farm family. Virtually all the capital required to buy, develop, and operate a farm is loaned to the family in several instances. Funds are provided by the Rural Rehabilitation Corporation. Farmers Home Administration representatives supervise farm operations and the details of credit, advancement, and collection. The experiment station carries out most of the planning for and analysis of the farm selected, making full use of tested technical improvements developed by the station. Leader: Q. W. Lindsey.

North Dakota: AVAILABILITY OF USE OF CREDIT IN NORTH DAKOTA.- This study consists of two phases: (1) A farm-level study designed to determine (a) the need for credit among North Dakota farmers, (b) the ways in which credit is currently used, (c) the availability of credit as compared with the capital requirements of various farming operations; and (2) an institutional-level study designed to (a) appraise operations of credit agencies, (b)

evaluate factors affecting interest rates, (c) evaluate collateral requirements and repayment schedules of agricultural credit sources in North Dakota, (d) provide information on credit sources and lending procedures of North Dakota lending agencies. Leaders: Donald E. Anderson and George H. Coulter.

Ohio: A STUDY OF DISTRESS SITUATIONS--THE USE AND MANAGEMENT OF CREDIT BY OHIO FARMERS.- This study is directed toward distress situations and will analyze: (1) The reasons and causes of the failure; and (2) means by which the causes of the failure might have been predicted, corrected, or avoided; (3) possibilities through improved financial management by farmers, adjustments in type or amount of credit, different policies of credit administration, or other means of avoiding failure of the farm operation and improving the utilization and management of credit. Procedures to be developed will enable farmers and lenders to: (1) appraise more accurately the risks involved in, and the economic feasibilities of, prospective uses of credit, and (2) improve the utilization and management of credit after operations are started. Leader: R. A. Bailey.

Rhode Island: FARM LOAN PRACTICES IN RHODE ISLAND.- To analyze farm loan practices in Rhode Island from the viewpoint of interest rates, length of loan, type of loan, and relationships between type of farm operation and loan practices. Leaders: Niels Rorholm, E. B. Hogan, and Charles Congdon, Jr.

South Carolina: IMPROVING CREDIT SERVICES TO AGRICULTURE.- Designed to determine and evaluate present lending policies and practices of production credit associations and national farm loan associations in South Carolina, North Carolina, and Georgia; to evaluate farmer knowledge and use of credit and to analyze farmers' future needs for credit; to recommend measures that might improve credit services to agriculture in view of the changing agricultural structure in the three-State area. Particular emphasis is to be placed on the credit aspects of contract farming and vertical integration. Leaders: George von Tungelin and G. H. Aull (cooperative with The Farm Credit Administration of Columbia).

South Dakota: THE FARM CREDIT SITUATION IN SOUTH DAKOTA.- This study will analyze past and present sources, terms, uses, and repayments of farm credit in South Dakota and will develop recommendations for farmers and Government to increase efficiency in the farm-credit situation. Leader: Allen Clark.

Tennessee: A STUDY OF THE KNOWLEDGE AND ATTITUDES OF TENNESSEE FARMERS CONCERNING CREDIT PRACTICES AND SOME EFFECTS ON CREDIT MANAGEMENT AND CREDIT COST.- Farmers' attitudes toward the use of credit and toward agencies are to be analyzed in relation to some of the causal factors involved. Their borrowing decisions are to be analyzed in relation to their knowledge about credit sources and their attitudes. Leader R. G. F. Spitze.

Tennessee: A STUDY OF THE STRUCTURE OF THE MARKET FOR FOREST PRODUCTS AND OF MARKETING PRACTICES FOLLOWED BY PRODUCERS AND FIRST BUYERS OF FOREST PRODUCTS IN THE STATE.- The relationship of financing arrangements and marketing practices of buyers is to be analyzed. Leader J. A. Martin.

Tennessee: FINANCIAL ASPECT OF AGRICULTURAL ADJUSTMENTS.- This study will analyze capital needed to adjust from the present cotton system in the Eastern Hill Area of western Tennessee to alternative conservation systems of farming. Leaders: T. J. Whatley and S. W. Atkins (cooperative with FERD-ARS, USDA).

Tennessee: FINANCIAL ASPECTS OF AGRICULTURAL ADJUSTMENTS IN LOW-INCOME AREAS.- Data will be collected to determine resources held by rural families, the use made of these resources, and income obtained. Attitudes toward certain economic adjustments including the use of credit will be enumerated. Future alternatives of rural people to improve their economic status will be evaluated. The impact of farm adjustments on nonfarm institutions including financial agencies, will be analyzed. Leaders: H. A. Henderson, S. W. Atkins, and T. J. Whatley (cooperative with FERD-ARS, USDA).

Tennessee: IMPACT OF INDUSTRIALIZATION UPON TENNESSEE AGRICULTURE.- Among other things, the study will analyze changes in the local capital market in respect to: (1) Changes in supply of capital available to farmers through local institutions as a result of increased income in the community; (2) changes in demand for credit and use of capital by farmers for production investment uses. Leader: J. A. Martin.

Texas: EFFECTS OF DROUGHT ON RANCHERS' CREDIT IN A 10-COUNTY AREA OF TEXAS.- Complete financial data were obtained on 162 rancher borrowers in the San Angelo area for the 6- to 7-year drought period. Data used to obtain information on changes that have taken place in income, assets, liabilities, and net worth of the specified borrowers and which are attributed to the drought. Used also to determine the effect of the changes on ranchers' ability to pay. Leader: Harley Bebout.

Texas: THE NEED AND AVAILABILITY OF CREDIT FOR MAKING RECOMMENDED AGRICULTURAL ADJUSTMENTS.- This is a study of credit needs of representative farmers as they make changes (both long- and short-time) in production practices and in land use. Involved also are an analysis of the availability of credit, a survey of sources of credit, and a study of credit costs for making farm adjustments. Leaders: Donald S. Moore, A. C. Magee, Ralph H. Rogers, and Jarvis Miller (cooperative with FERD-ARS, USDA).

Wisconsin: WISCONSIN LAND TENURE.- This study of tenure factors that affect use of rural land in Wisconsin includes examination of the role of agricultural credit in helping young people get established in farming and in developing the farm business. Leaders: Raymond J. Penn, K. H. Parsons, C. W. Loomer, and J. H. Beuscher.

Wisconsin: THE ROLE OF AGRICULTURAL CREDIT IN FARM DEVELOPMENT.- This study investigates three questions that are important in determining to what

extent agricultural credit can be used to speed farm development, especially on low-income farms: (1) Can low-equity financing work commercially? (2) Does supervised credit increase the effectiveness with which credit is used? and (3) What has been the effect on farm income and development of credit that was used directly for development purposes? Examines the experience of farmers having loans with Farmers Home Administration for 5 or more years. Leaders: S. D. Staniforth and Rudolph A. Christiansen (cooperative with FERD-ARS, USDA).

ARS (Farm Economics Research Division): FINANCING THE PRODUCTION OF TABLE EGGS.- Objective is to determine the effect of contracting on the capital requirements, financial security and financial returns of egg producers, and on efficiency in production of eggs. Leaders: F. L. Garlock and F. D. Hansing.

ARS (Farm Economics Research Division): CHARACTERISTICS OF FARM-MORTGAGE CREDIT.- This study is intended as an analysis of farm-mortgage credit in relation to ratio of debt to value, size and value of farm, type of lender, interest rates, and State and geographic area. Data for the analysis are to be taken from the agricultural censuses and the cooperative farm-mortgage surveys with the Bureau of the Census for 1945, 1950, 1956, and 1960. Leader: R. W. Bierman.

ARS (Farm Economics Research Division): CURRENT ANNUAL ESTIMATES OF FARM-MORTGAGE DEBT.- Estimates of farm-mortgage loans held by principal lender groups are to be developed for the current year, by States. Techniques for estimating annual changes in farm-mortgage debt will be improved when possible. In cooperation with the Bureau of the Census, a farm-mortgage survey will be made in 1960 to determine benchmark estimates of farm-mortgage debt and number, acreage, and value of mortgaged farms by lender, tenure of farm operator, and States. Leader: R. W. Bierman.

ARS (Farm Economics Research Division): ANNUAL CHANGES IN FINANCIAL STRUCTURE OF AGRICULTURE.- Under this project, annual balance sheets of agriculture are to be prepared and analyzed in relation to their significance for the farmer and the economy as a whole. Leaders: N. J. Wall, F. L. Garlock, R. W. Bierman, and W. H. Scofield.

ARS (Farm Economics Research Division): NON-REAL-ESTATE DEBT OF FARMERS.- This project is designed to maintain a series showing the amount of non-real-estate debt of farmers and to determine the characteristics and terms of credit extended by the major lenders. Leader: F. L. Garlock.

ARS (Farm Economics Research Division): NON-REAL-ESTATE AGRICULTURAL CREDIT FACILITIES IN THE UNITED STATES.- The aim is to study the major types of non-real-estate credit institutions, with particular reference to organization, financial structure, and nature and effectiveness of operations. Leader: F. L. Garlock.

ARS (Farm Economics Research Division): FARM FINANCIAL AND CREDIT OUTLOOK.-

The aim is to obtain information on changes during the last year in the financial and credit situation of farmers, the outlook for the year ahead, and reasons for changes, both past and prospective. Data are obtained annually from representative farmers, merchants, dealers, and lending institutions located in selected counties throughout the country. Leaders: F. L. Garlock, R. W. Bierman, and W. H. Scofield.

ARS (Farm Economics Research Division): FLOW OF BANK DEPOSITS AND EFFECTS ON LOANS OF COUNTRY BANKS.- The objective is to measure the flow of bank deposits from or to agricultural areas and to determine the effects of changes in deposits on the lending power of banks in agricultural areas. Leader: F. L. Garlock.

ARS (Farm Economics Research Division): CHARACTERISTICS OF FARMERS HOME ADMINISTRATION BORROWERS AND THEIR LOANS.- This project is intended to provide information on FHA loan characteristics, such as type, original amount, amount outstanding on June 30, 1956, security and repayment status, and on borrower characteristics such as location, tenure, net worth, age, and 1955 gross cash income. The basic data were provided by FHA county offices for a sample of about 25,000 active borrowers, which is about one-seventh of the total number of active borrowers. Tabulations of the data have been completed and analysis of the results started. Leaders: R. W. Bierman, Betty A. Case, and F. L. Garlock.

ARS (Farm Economics Research Division): PROCESSES AND PROBLEMS OF RESOURCE USE ADJUSTMENT BY FARMERS HOME ADMINISTRATION CLIENTS.- The objectives of this project are to identify, classify, and evaluate the personal, resource use adjustment, and institutional characteristics which are associated with different degrees of progress in achieving increased productivity and income-earning capacity on the part of individual farm families who have been assisted by the Farmers Home Administration. Leader: W. E. Hendrix.

ARS (Farm Economics Research Division): ANALYSIS OF FARMERS' FINANCIAL CONDITION, TENURE, LAND OWNERSHIP, AND LAND PRICES IN RELATION TO PROBLEMS OF AGRICULTURAL ADJUSTMENT IN THE GREAT PLAINS.- The objectives of this study are to obtain for the 10 Great Plains States current information on the following subjects and to appraise their relation to the problems of agricultural adjustment: The financial condition of farmers, including composition and sources of credit; tenure arrangements, including absentee ownership, increases in farm size, and consolidation of farm units; characteristics of rural land ownership, including types of ownership interest and reasons for holding land; and farmland transfers, including characteristics of land transfers, types of buyers and sellers, reasons for transfer, and factors influencing land prices. Data have been put on IBM cards, tabulations completed for a preliminary report, and a manuscript for the preliminary report is in preparation. Coordinating committee: R. W. Bierman, W. H. Scofield, and Gene Wunderlich.

ARS (Farm Economics Research Division): METHODS OF FINANCING DESIRABLE FARM ADJUSTMENTS.- This project is designed to study the methods used in financing major adjustments on farms, including adoption of soil-conserving practices and adjustments on low-income farms, and to explore the possibilities of developing new financing arrangements that would facilitate adoption of desirable farming adjustments. A report on a cooperative study under this project, conducted in South Carolina, is now in manuscript form. Leaders: F. L. Garlock and E. T. Hamlin.

ARS (Farm Economics Research Division): FINANCIAL OBSTACLES TO DESIRABLE FARM ADJUSTMENTS.- This project will study the extent to which inadequate capital, low incomes, inadequate or poorly adapted credit facilities, or aversion of farmers to debt, may impede the progress of farmers in making desirable farm adjustments. Leaders: F. L. Garlock and E. T. Hamlin.

ARS (Farm Economics Research Division): FINANCIAL CONDITION OF FARM OPERATORS.- This project is designed to determine: (1) Effects of recent changes in farm income and in the nature and amount of the capital used in farming, and the effects of drought, acreage allotments and related factors, on the financial condition of farm operators; (2) the extent to which farmers are having difficulty in maintaining their capital assets, in meeting their debt and tax obligations, and in raising the funds necessary to carry on or to enlarge or otherwise adjust their farming operations; and (3) the means by which young people and others are raising the capital necessary to get started in farming. Leaders: F. L. Garlock, R. W. Bierman, and W. H. Scofield.

FARM FINANCIAL MANAGEMENT

Louisiana: FARM REAL ESTATE TRANSFER PRICES AND FAMILY FARM FINANCIAL SITUATION.- This project is designed to learn the level of prices paid in the transfer of farm real estate in Louisiana, the availability of farm real estate for enlargement of small farms to an economic size, and the financial progress of selected farm owner-operators with a high ratio of debt to owned assets. Leader: F. L. Corty.

Maryland: CAPITAL REQUIREMENTS IN AGRICULTURE.- The objectives are to ascertain the capital needs of various types of farmers, to determine the efficiency of capital resources, and to evaluate the various methods of acquiring essential capital resources for farming. Leader: Paul R. Poffenberger.

Michigan: GETTING ESTABLISHED IN FARMING.- Part of a North Central Regional project of the same name. Information has been obtained as to: (1) The capital and other resources in the hands of young farmers when they started to farm on their own; (2) the major sources by which young farmers attained capital and other resources needed to farm; and (3) progress of capital accumulation after starting to farm. Leader: E. B. Hill.

Missouri: FARM FAMILY FINANCIAL MANAGEMENT.- The project is being carried on cooperatively with Iowa Agricultural Experiment Station. A field survey has been completed and the schedules edited. Leaders: Frank Miller, Margaret Mangel, and George Coffman.

Montana: FARM FINANCIAL MANAGEMENT.- Two subprojects: (1) Depreciation allowances and rational machinery and equipment replacement practices; and (2) reserves as a tool in financial management. Both are oriented to the problem of organizational adjustments and strategies of management available to farmers in high-risk areas. Leaders: Don Bostwick, Richard Wheeler, Howard Hjort, and Clarence Jensen (cooperative with FERD-ARS, USDA).

Montana: EFFECTS OF FARM DISPERSION ON CROP YIELD AND INCOME VARIABILITY.- Objective: To determine the effect of varying degrees of spatial diversification on total crop yield and costs of operation, with the data analyzed in terms of effect on net farm income and survival of the farm business. Leaders: Clarence Jensen and Don Bostwick (cooperative with FERD-ARS, USDA).

Nebraska: FARM CAPITAL STRUCTURE AND CREDIT USE IN THE TRANSITION AREA.- This study is a phase of the overall project, "Agricultural Adjustments in the Transition area." Objectives are to determine the relative effects of size of business, economic environment, and other factors on financial progress; to find the effect of recent adverse crop conditions on level of net worth and family-consumption spending; and to appraise farmers' opinions on uncertainties of returns from various crop and livestock enterprises. Leaders: Roger Willsie, Philip A. Henderson, and Howard W. Ottoson.

Oklahoma: FARM FINANCIAL NEEDS AND PROBLEMS OF OKLAHOMA FARMERS.- A study of capital acquisition, capital growth, and problems of risk in capital investments. Current emphasis is on the capital problems of serious and moderate low-income areas of southeastern Oklahoma. Leader: G. P. Collins.

Oregon: CAPITAL ACCUMULATION IN THE CONTEXT OF THE AGRICULTURAL "FARM HOUSEHOLD".- Investigates the effect of the consumption-investment decisions of the operator and his family in the allocation of net income on the rate of capital accumulation by the farm firm. The effect of these decisions will be hypothesized in formulas based on two ratios: (1) Net income to total capital investment; and (2) consumption to net income. The effects of income tax and liquid reserves against risk will be recognized. The validity and application of the formulas will be analyzed in testing them against a sample of farms in Marion County, Oreg. Leaders: Gordon R. Sitton and Varge Gilchrist.

Oregon: THE CORPORATE FORM OF OWNERSHIP FOR FAMILY FARMS AND RANCHES.- The core of this project is an evaluation of the corporate form of ownership as a means of surmounting certain finance-related problems of modern farming. Evaluation is approached on the basis of: (1) Capital formation and transfer; (2) credit; (3) liability limitation; (4) taxation; (5) possible

separation of ownership and management; (6) organizational problems and costs, license fees, accounting, annual report requirements, and so on. More than 100 incorporated farms and ranches in Oregon are being studied for situation characteristics, corporate organizational patterns, and operating experiences as corporations. Leaders: Grant E. Blanch and Dean Hubbard.

Oregon: THE FINANCIAL STRUCTURE OF OREGON FARMS.- This investigation is the first phase of a continuing, multiple-facet project entitled "Financial and Taxation Problems of Oregon Farmers." This initial phase investigates: (1) Total capital and classification of capital invested in different types and sizes of farms in Oregon; (2) types and amounts of other assets held; (3) liabilities and nature of liabilities relative to current, intermediate, and long term; (4) methods used in managing financial resources to protect equity of farmers and place limits of liability on them. From analysis, guidelines constituting a sound balance in the composition of assets and liabilities for different types and sizes of farms will be developed. Alternative and economical means of protecting equity capital under different sets of situations will be developed and evaluated. Leaders: Grant E. Blanch and Robert Welch.

Pennsylvania: FINANCIAL MANAGEMENT PRACTICES OF DAIRY FARMS IN THE LIMESTONE VALLEYS OF PENNSYLVANIA.- The general objective is to determine the financial problems and practices of dairy farmers. Data have been collected by survey and a report is in preparation. Leaders: Robert F. Hutton and L. A. Jones (cooperative with FERD-ARS, USDA).

ARS (Farm Economics Research Division): ESTIMATES OF FINANCIAL ASSETS OWNED BY FARMERS.- This study is designed to determine the amount of bank deposits, currency, United States savings bonds, and investments in cooperatives owned by farmers. Leader: F. L. Garlock.

ARS (Farm Economics Research Division): FARM FINANCIAL MANAGEMENT.- The aim is to determine practices of farm people in handling income, using credit, and making investments that improve the farm business, minimize financial risks, and facilitate the fulfillment of family and home objectives. Leader: F. L. Garlock.

AGRICULTURAL RISKS AND INSURANCE

Georgia: STUDY OF FARM MUTUAL FIRE INSURANCE COMPANIES OF GEORGIA.- This study covers: (1) Basis for differential rates; (2) risk-reduction factors; (3) reinsurance and coinsurance; and (4) other factors affecting premium rates and limiting the size of their maximum insurable risks. Leader: Jack C. Thompson.

Indiana: FACTORS RELATED TO FARM PROPERTY INSURANCE COVERAGE.- This project was designed to study factors associated with the total amount of mutual insurance on farm property in the Midwest and to determine what factors are

associated with farm-to-farm differences in amounts of farm property insurance coverage. A further objective of this study was to obtain reactions of farmers to deductible policies, package policies, additional perils, etc. A survey of central Indiana farmers has been completed and most of the data analyzed. Leader: J. H. Atkinson.

Maryland: FACTORS AFFECTING THE COST OF CERTAIN KINDS OF INSURANCE TO FARMERS.-

The objectives of this project are to determine methods whereby farmers might obtain maximum risk coverage relative to premium costs, to compare the desirability of comprehensive insurance policies with single-risk policies, to investigate the practical use of a larger number of risk factors in fire insurance rate determination, to ascertain the trends in amounts of protection relative to premiums paid for different kinds of insured risks, and to determine the underlying causes of underinsurance and overinsurance of farm risks. Leaders: W. P. Walker and S. Ishee.

Montana: AGRICULTURAL RISKS AND UNCERTAINTY -- (1) Effects of Weather on Economy of Dryland Farms. Objective is to analyze organizational adjustments and strategies of management available to farmers in high-risk Great Plains areas of Montana. Several projects or subprojects contribute to the objective. Leaders: D. C. Myrick, Clarence Jensen, and others (cooperative with FERD-ARS, USDA). **(2) National Agricultural Policy in Relation to Montana Agriculture.** Several phases of this study deal with agricultural risks. They are the listing and describing of the characteristics peculiar to Montana agriculture - climatic risks, alternative uses for resources, price risks, optimum size and type of farms compared with existing sizes and types, and capital requirements. Leader: Maurice Taylor.

Oklahoma: AN ECONOMIC ANALYSIS OF THE EFFECTS OF FIRES ON INSURANCE AND OTHER COSTS AT COTTON GINS.- A study to determine the effect of preventive devices and practices on the frequency of gin fires and related cost to ginners, the types and rates of fire insurance available to ginners, and the relation of losses to premiums for gin fire insurance. Leaders: L. F. Miller and M. L. Fowler.

Oklahoma: AN ECONOMIC APPRAISAL OF ALTERNATIVE SYSTEMS OF FARMING AND RANCHING IN THE HIGH-RISK AREAS OF OKLAHOMA.- An analysis of the nature and magnitude of income variability associated with farming systems in a high-risk area. Alternative adjustments in the farm-ranch organization and the financial structure of the farm or ranch, will be examined for their impacts on the level and variability of income. Leaders: J. S. Plaxico and Robert W. Greve (cooperative with FERD-ARS, USDA).

Tennessee: AN ECONOMIC ANALYSIS OF THE EFFECTS OF FIRES ON INSURANCE AND OTHER COSTS AT GINS.- Data will be collected from a beltwide sample of cotton gins regarding the number of fires as they occur, their causes, the extent of damage from fire, and other related data. Data will be obtained also from insurance companies, rating or adjustment bureaus, and gins relating to trends in rates, relation of premiums paid to losses sustained, and legal limitations under which insurance companies operate. Leader: B. D. Raskopf.

Texas: FARMER PARTICIPATION IN AND ATTITUDES TOWARD THE OLD AGE AND SURVIVORS INSURANCE PROGRAM.- Large numbers of farmers in selected counties have been interviewed to determine the knowledge and understanding of farmers concerning OASI, the extent to which farmers are becoming qualified for OASI payments, farmer overt actions that have occurred as a result of the OASI program, difficulties of farm people in qualifying for social security coverage, and changes in attitudes of farmers toward retirement and various aspects of the OASI program. Leaders: R. L. Skrabanek and Louis Ducoff.

Texas: AN ECONOMIC ANALYSIS OF THE EFFECT OF FIRES ON INSURANCE AND OTHER COSTS OF TEXAS GINS.- Data have been obtained from a stratified sample of Texas gins to determine the effect of prevention devices and practices on the frequency and extent of gin fires and the related cost to ginners as well as the relation of premiums for gin fire insurance to losses. Information is to be obtained from insurance companies that serve gins, and other sources have provided information concerning trends in types of and rates for fire insurance available to ginners. Leaders: R. L. Hunt and J. M. Ward.

ARS (Farm Economics Research Division): FARMERS' MUTUAL FIRE, WINDSTORM AND CROP-HAIL INSURANCE IN THE UNITED STATES.- To study the operating practices of farmers' mutual fire, windstorm, and crop-hail insurance companies from the viewpoint of their improvement; to prepare summaries of the numbers of such companies, their outstanding insurance, and the amount of their income from members, losses paid, operating expenses, and safety funds, by States; and to analyze currently the problems and trends in such insurance, as indicated by special surveys. Leaders: Ralph R. Botts, John C. Ellickson, and John D. Rush.

ARS (Farm Economics Research Division): LIFE AND CASUALTY INSURANCE AND ACCIDENT PREVENTION.- To study insurance programs affecting farm people, including life, accident and sickness, hospital, surgical, public and employer's liability and workmen's compensation insurance, from the standpoint of their adequacy in meeting farmers' needs and equity of cost among farmers; to study the insurance programs of farm families and means of adapting life and other insurance to meet changing needs and circumstances; to analyze the effect of Social Security on life insurance programming, retirement, tenure, and other aspects of farming; to learn the more common causes of farm accidents and means of preventing them; to determine farm accident costs; and to prepare safety material based on accident studies. Leaders: John C. Ellickson, John D. Rush, and Ralph R. Botts.

ARS (Farm Economics Research Division): ORGANIZED RURAL FIRE PROTECTION IN THE UNITED STATES.- To follow developments and analyze new legislation in the field of organized farm fire protection; to ascertain what financial and other arrangements are involved between farmer groups and towns, which usually provide or cooperate in providing farm fire protection; and to measure the effectiveness of rural fire-protection services, as indicated by farm mutual fire insurance experience in areas having various degrees of rural fire protection. Leader: John D. Rush.

ARS (Farm Economics Research Division): RISK AND RISK-BEARING IN AGRICULTURE.- Objectives are to study the economic significance of fluctuations in weather and other agricultural risks with respect to the structure and functioning of farm units, with emphasis on the uncertainty of farm income and yields by crops, and to examine various methods of risk-bearing that afford possibilities of increasing the stability of farm income. Leader: Ralph R. Botts.

ARS (Farm Economics Research Division): FARM FIRE LOSSES.- This study is designed to maintain a series showing the annual amount of farm fire losses in the United States, and to analyze survey data to ascertain the frequency, amount, and causes of farm fire by classes of property for broad geographic areas. Leaders: John D. Rush and Ralph R. Botts.

FARM TAXATION, LOCAL GOVERNMENT, AND PUBLIC FINANCE

Connecticut: EFFECTS OF URBAN-INDUSTRIAL DEVELOPMENT ON AGRICULTURE.- Objectives: (1) To discover the impact of urban-industrial development on farm costs, such as wage rates, capital costs, land prices, property taxes, and transportation and other marketing costs; and (2) to identify the types of urban industrial development that lead to efficient employment of agricultural resources and to propose plans for efficient regional development. Leader: John W. Mamer.

Connecticut: IMPACT OF ALTERNATIVE SOURCES OF TAX REVENUE ON THE CONNECTICUT ECONOMY.- Objectives: To identify possible revenues available in Connecticut and to appraise the impact of each alternative source on the Connecticut economy, with particular reference to the impact on agriculture. Leader: John W. Mamer.

Iowa: VALUATION OF FARM REAL ESTATE FOR TAX ASSESSMENT.- Aim is to study methods that may prove helpful to assessors in improving farm real estate assessments. Use of soil-survey maps and data is to be emphasized in arriving at assessed values. Ratios of assessment to sales value are to be studied. Leader: W. G. Murray.

Kansas: STUDIES IN LAND TAXATION, LAND TENURE, LAND VALUES, AND RELATED PROBLEMS.- The objective of the taxation phase is to investigate land taxation and related public finance problems that pertain to (1) local public services and their costs, (2) attainment of an equitable distribution of taxes, and (3) administration of all taxes, including general property, sales, income, and other taxes. Leader: Wilfred H. Pine.

Kansas: STATE AND LOCAL TAXES PAID BY FARMERS AND OTHER GROUPS IN KANSAS.- This project involves the determination of the kinds and amounts of State and local taxes paid by Kansas farmers and other groups. It is designed to learn the effects of changes in taxation on taxes paid by various groups and on the uses of resources. Leader: Wilfred H. Pine.

Louisiana: SUPPLIES, OWNERSHIP, AND TAXATION OF FOREST RESOURCES IN NORTH CENTRAL LOUISIANA. Leader: F. L. Corty.

Maryland: THE EFFECTS OF PROPERTY TAX ASSESSMENT AND EXEMPTION PRACTICES ON MARYLAND FARMERS, AND ON STATE AID EQUALIZATION PROGRAMS.- Objectives are to compare levels of tax assessment with sale values of farm and nonfarm real estate in Maryland; to examine the taxation of various kinds of personal property in local units of Maryland; and to evaluate the use of property taxation, as compared with other economic indices, as a basis for State aid equalization programs. Leaders: W. P. Walker and S. Ishee.

Maryland: AN ANALYSIS OF THE DISPOSITION OF HIGHWAY-USER TAXES FOR RURAL AND URBAN HIGHWAYS IN MARYLAND.- Objectives are to analyze the impact of highway-user levies on various groups of taxpayers in Maryland; and to test various formulas of State highway-user tax distribution to local units as a basis for selecting formulas that will provide for highway needs and apply equitable tax payments for highway purposes in both rural and urban areas. Leader: W. P. Walker.

Michigan: IMPACT OF GENERAL PROPERTY TAXES ON RURAL AND SUBURBAN PROPERTY.- Data are being collected from State and local tax records and from individual farm-account records to indicate the trend in general property taxes in Michigan since 1940 and to measure the impact of this trend on farmers and other property owners. Leaders: Raleigh Barlowe, William H. Heneberry and Arley Waldo (cooperative with FERD-ARS, USDA).

Michigan: DETERMINING THE ECONOMIC PRODUCTIVITY AND MARKET VALUE OF AGRICULTURAL LANDS FOR PURPOSES OF IMPROVING ASSESSMENT.- Information is being assembled concerning the relative productivity of soil types in selected areas in the State. Productivity indices based on net income are to be developed from these data. These indices, together with such modifying factors as location, drainage conditions, and condition of farm improvements, will be correlated with data on property sales values to indicate their applicability for property appraisal and assessment purposes. Leaders: Raleigh Barlowe and William H. Heneberry (cooperative with FERD-ARS, USDA).

Michigan: ECONOMIC ASPECTS OF LAND USE IN RURAL-URBAN FRINGE AREAS.- Research has been completed on a study of "Land Use Transition Problems in a Detroit-Pontiac Fringe Township." Work is underway on a study of "Local Fiscal Problems Associated with Suburbanization." Both studies involve the assembly and review of data on local government receipts and expenditures. Leaders: Raleigh Barlowe and Louis A. Vargha.

Michigan: IMPACT OF TAXES AND LEGAL COSTS ON FARM TRANSFERS.- Research on this project has been completed. The manuscript has been approved for publication and is now at the printers. Manuscript includes materials on farm transfers, wills, Michigan inheritance tax, Federal estate tax, Federal gift tax, capital gains tax, and Michigan laws of descent and distribution. Leader: Elton B. Hill.

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Minnesota: ASSESSMENT OF REAL PROPERTY.- In conjunction with a study of the economic impact of highway development, an extensive study is being made of the assessment of rural and urban property values, in cooperation with the Department of Geography, University of Minnesota. The use of aerial photographs and land use maps is being correlated with land-value mapping in an attempt to develop a technique for predicting changes in land values owing to highway improvement. Leaders: Philip M. Raup, John R. Borchert, and James Schwinden.

Missouri: THE RELATIONSHIP BETWEEN THE ASSESSED VALUE AND THE SALES VALUE OF FARMLAND IN SELECTED COUNTIES IN MISSOURI.- Tax rates and total tax payments are examined, as are procedures that are used in arriving at the sales value of land. The study is expected to be part of a regional inquiry into factors that determine the value at which real estate is bought and sold. Leaders: Frank Miller and William D. Davis, Jr.

Missouri: ANALYSIS OF SALE PRICE AND ASSESSED VALUE OF FARM AND VILLAGE REAL ESTATE.- The assembly of data on land transfers in selected counties of Missouri is being continued. Leader: Frank Miller.

Montana: EFFECTS OF STATE AND LOCAL TAXES AND DISBURSEMENTS ON MONTANA FARMERS AND RANCHERS.- Objectives are: (1) To describe the present system of financing public services in Montana, with special reference to inter-governmental payments used for equalization purposes; (2) to analyze the effect of recent developments in the tax structure and equalization programs on (a) the tax burden of various groups of citizens, particularly farmers and ranchers, and (b) the quality of services rendered; and (3) to make recommendations concerning improvements in methods of financing public services, emphasizing economy, quality of service, and equitable distribution of the taxload among citizens. Leaders: Layton S. Thompson and Maurice Taylor.

New Mexico: STUDY OF AGRICULTURAL TAXATION.- This study includes (1) analysis of methods used to assess agricultural property, (2) comparison of the taxation of agricultural properties with taxation of other types of property in selected counties in New Mexico; (3) comparison of methods and rates of agricultural taxation with those of other States. Leaders: James L. Stallings and Harry G. Bryan.

New York: INTERSTATE COMPARISONS OF STATE AND LOCAL GOVERNMENTAL SERVICES.- A comparison of functions of State and local governments available to farmers and others in New York State relative to other States. Leader: A. A. Lutz.

New York: A COST INDEX FOR LOCAL RURAL ROAD CONSTRUCTION.- An index of cost of construction of local rural roads and indexes of costs of labor, equipment, and materials used in construction. Leaders: E. A. Lutz and J. W. Spencer.

New York: INTRASTATE COMPARISONS OF REVENUES, COSTS, SERVICES, AND STANDARDS OF OPERATION IN TOWNS AND VILLAGES.- Developing standards of costs and operations of selected sample of towns against which costs and operations of other towns and villages may be made. Leader: E. A. Lutz.

New York: SOME COMPARATIVE ASPECTS OF LOCAL GOVERNMENT IN SELECTED COUNTRIES OF SOUTHEAST ASIA.- Comparative study of local government in the Philippines, Thailand, and possibly Vietnam. Leader: E. A. Lutz.

Oregon: PHYSICAL AND ECONOMIC PRODUCTIVITY OF SOILS IN MARION COUNTY.- Data from the soil survey now underway is to be analyzed in conjunction with farm business data to determine relative yields and economic productivity of defined soil map units. Data on important series will be developed to permit a better basis for comparison among soils. Techniques of characterizing soils in terms of crop yields, net income, and economic productivity will be evaluated and adapted to Oregon conditions. Leaders: Gordon R. Sitton and Ellis G. Knox.

South Carolina: AN APPRAISAL OF THE EFFECTS OF ECONOMIC CHANGE AND DEVELOPMENT ON THE FUNCTION, ORGANIZATION AND FINANCING OF LOCAL GOVERNMENT IN SOUTH CAROLINA.- Designed to help meet the pressing need for more information concerning problems of local government that result from the rapid changes now in progress in the area. This includes the problems of communities that are experiencing rapid suburbanization and industrialization, as well as those of communities that are experiencing a decline in population and economic activity. In addition to defining the broader problems and problem areas, the study will attempt to determine the effects of these changes on the tax base and the operation and services of local government units. Particular attention will be given to distribution of local tax burdens and their relative impact on agriculture in the various subareas. Leaders: C. C. Taylor, F. D. Stocker, and G. H. Aull (cooperative with FERD-ARS, USDA).

South Dakota: IMPROVING RURAL ASSESSMENTS AND TAXATION.- This will be a study of the relative tax burden of farmers and other citizens of the State. It will also emphasize possible ways of improving rural assessment of land and buildings, as well as personal property, and the effects of certain levy limitations on rural taxation. Leader: John Thompson.

ARS (Farm Economics Research Division): FARM REAL ESTATE TAXES.- Objective is to develop estimates of farm real estate taxes for the United States and for individual States and geographic divisions. Various analyses of farm property taxes are made also. Leaders: Frederick D. Stocker, Lawrence A. Leonard, and McGehee H. Spears.

ARS (Farm Economics Research Division): PERSONAL PROPERTY TAXES OF FARMERS.- Objectives are the development and improvement of estimates of farm personal property taxes for the United States. Special interest is centered on determining the impact of this tax on certain classes of property. Leader: McGehee H. Spears.

ARS (Farm Economics Research Division): INCOME TAXES OF FARMERS.- Estimates are made of Federal income tax payments of farm people. Attention is given also to Federal income tax problems faced by farmers. Leaders: Lawrence A. Leonard and Frederick D. Stocker.

ARS (Farm Economics Research Division): EFFECTS OF SUBURBANIZATION ON RURAL GOVERNMENT FINANCE.- A study of what happens to rural governments when large-scale residential development takes place. The effects on local finances receive particular attention, and the analysis is related to changing economic, political, and social conditions in the areas studied. Leader: Frederick D. Stocker.

ARS (Farm Economics Research Division): STATE GASOLINE TAXES ON FARM USE OF MOTOR FUEL.- A study of the extent to which farmers' consumption of gasoline and similar fuels is subject to taxes on motor fuels. An examination of the State laws that govern exemptions and refunds is coupled with a statistical study of fuel consumption, tax payments, and refunds. Leader: McGehee H. Spears.

ARS (Farm Economics Research Division): SALES TAXES PAID BY FARMERS.- The aim of the project is the development of estimates of the impact of general sales taxes on farmers. Leader: McGehee H. Spears.

ARS (Farm Economics Research Division): FARMERS' TAX BURDEN.- An analysis of the economic significance of taxes levied on farmers and agriculture, particularly with respect to an evaluation of the taxload of agriculture. Also an evaluation of changes in tax laws as they affect farmers in their production and marketing activities as well as their position in regard to assets. Leaders: Frederick D. Stocker and Lawrence A. Leonard.

FARM REAL ESTATE VALUES

Iowa: THE IOWA FARM REAL ESTATE SITUATION.- Annual brokers' surveys are conducted to measure changes in market values in various areas of the State and to determine the major factors influencing market prices. Leader: W. G. Murray.

Kansas: THE FARM REAL ESTATE MARKET IN KANSAS.- Objective is to determine the factors considered by sellers and buyers in the pricing of land in five areas of the State. Buyers and sellers were interviewed to learn reasons for selling and buying, how the transfer was financed, and the relevant physical characteristics of the properties. Leaders: Wilfred Pine and W. H. Scofield (cooperative with FERD-ARS, USDA).

Kentucky: A STUDY OF FARM VALUES AND TRENDS.- The central objective is to throw light on farm values in representative agricultural areas and to show the trends of such values. Leader: John H. Bondurant.

Minnesota: FARM LAND MARKET.- An annual survey is made of trends in land values throughout the State, based on replies to a mail questionnaire returned by more than 700 respondents. Price trends, changes in volume of sales, type of financing, and characteristics of buyers and sellers are reported, by regions of the State. Leaders: Philip M. Raup and Jerome Johnson.

Nebraska: THE FARM REAL ESTATE MARKET IN NEBRASKA.- Similar to Kansas study. Leaders: Loyd Fischer and W. H. Scofield (cooperative with FERD-ARS, USDA).

Nebraska: SALES PRICES AND ASSESSED VALUES OF FARM REAL ESTATE.- Records of all land transfers in the State, 1952-56, are being analyzed by size of tract, price per acre, and assessment-sales ratio, for various type-of-farming areas in the State. Leaders: Loyd Fischer and W. H. Scofield (cooperative with FERD-ARS, USDA).

Ohio: CHANGES IN OHIO FARMLAND VALUES AND THEIR CAUSES, AND THE USE OF MORTGAGE CREDIT.- This study has been continued since 1940 for the basic purpose of providing a current picture of the land price, market activity and farm-mortgage credit situation in Ohio. As significant changes appear, analysis is made of their causes and of their subsequent effect. Farm real estate situation reports are also made periodically on the basis of data collected. Leaders: H. R. Moore, R. A. Bailey, and W. A. Wayt.

South Dakota: PURCHASES OF LAND FOR FARM ENLARGEMENT.- Field interviews of farmers who have recently bought additional land will seek to determine the characteristics of such buyers and the amount and characteristics of the productive resources they controlled prior to purchase. A related objective is to analyze the valuation procedures followed by such buyers, with special reference to the additional costs and income they estimate for the land purchased. Leaders: John Thompson and W. H. Scofield (cooperative with FERD-ARS, USDA).

Texas: FACTORS AFFECTING THE TEXAS AGRICULTURAL LAND MARKET.- The nature and operation of the land market are being studied in selected counties and situations, with special attention given to the effect on the price of land and market activity of such factors as (1) recreational land, (2) investment, (3) speculation, (4) hobby farming and (5) part-time farming. Leaders: Frederic O. Sargent, John H. Southern, W. H. Scofield, and W. G. Adkins (cooperative with FERD-ARS, USDA).

Virginia, North Carolina: INTERRELATION BETWEEN FARM TENURE AND THE FEDERAL FLUE-CURED TOBACCO PROGRAM.- One phase of this study applies regression analysis to land sales data to determine the market value of tobacco acreage allotments. Leaders: W. L. Gibson, Jr., George Tolley, and Frank Maier (cooperative with FERD-ARS, USDA).

ARS (Farm Economics Research Division): CURRENT DEVELOPMENTS IN THE FARM REAL ESTATE SITUATION.- This project is concerned with the periodic collection of data and analysis of the significant trends in market values,

volume of sales, financing, types of buyers and sellers and other aspects of the farm real estate market. Crop reporter data and special surveys of farm real estate dealers are utilized. Leader: Paul Holm.

ARS (Farm Economics Research Division): ANNUAL ESTIMATES AND ANALYSIS OF TRENDS IN FARM REAL ESTATE RENTALS.- Objectives are to estimate the dollar value of rents paid for leased land, by States and the expenses paid by landlords, and to utilize such data in a continuing analysis of the relationship between returns to land and market values of farm real estate. Leader: W. H. Scofield.

ARS (Farm Economics Research Division): EFFECTS OF HIGHWAYS AND LOCATION ON FARM REAL ESTATE VALUES.- Actual sales of land, and estimates by local reporters of the premiums and discounts to market values associated with different types of roads are being studied. Leaders: Clinton F. Wells, Jr., and Paul Holm.

ARS (Farm Economics Research Division): THE LAND MARKET AND LAND PRICING PROCEDURES IN SELECTED AREAS OF THE GREAT PLAINS.- Objective was to determine the characteristics of farm properties and of buyers and sellers that were relevant in the pricing process. Field interviews were made of about 1,000 buyers and 700 sellers associated with 1,481 transfers that occurred in 38 counties in 1956-57. Leaders: Clinton F. Wells, Jr., and W. H. Scofield.

ARS (Farm Economics Research Division): SALES PRICES AND ASSESSED VALUES OF FARM REAL ESTATE IN ILLINOIS.- Records of all land transfers in the State from 1953 to 1956 inclusive will be analyzed by size of tract, status of improvements, and assessment-sales ratios, for various areas in the State. Leader: Paul Holm.

ARS (Farm Economics Research Division): RURAL LAND TRANSFER SURVEY.- A mail survey will be sent to a nationwide sample of about 17,000 buyers of rural property. Objectives are to determine the extent and nature of farm consolidation, major shifts in land use as a result of transfer, contribution of highways to market values, assessed values, and benchmark estimates for several current statistical series: Leaders: W. H. Scofield and Clinton F. Wells, Jr.

STATISTICAL APPENDIX

Farm-Mortgage Credit

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Table 1.- Farm-mortgage debt: Total outstanding and loans held by principal lenders, United States, selected dates, 1910-59 1/

Beginning of year or month	Loans held by principal lenders									
	Federal Farm Mortgage Corporation		Federal Home Administration		Life insurance companies		Commercial and savings banks		Individuals and others	
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1910-----	---	---	---	---	386,961	406,248	2,414,654	3,207,863	---	---
1920-----	293,595	---	---	---	974,826	1,204,383	5,915,930	8,448,772	---	---
1930-----	1,201,732	---	---	---	2,118,439	997,468	4,675,340	9,630,768	---	---
1935-----	1,947,442	616,737	---	---	1,301,562	498,842	2,942,856	7,584,459	---	---
1940-----	2,009,820	713,290	32,178	---	984,290	534,170	2,220,925	6,586,399	---	---
1941-----	1,957,184	685,149	65,944	---	1,016,479	543,408	2,151,908	6,493,527	---	---
1942-----	1,880,784	634,885	55,919	---	1,063,166	535,212	2,090,485	6,376,080	---	---
1943-----	1,718,240	543,895	37,015	---	1,042,939	476,676	1,978,640	5,956,458	---	---
1944-----	1,452,886	422,751	10,097	---	986,661	448,433	1,894,148	5,395,671	---	---
1945-----	1,209,676	347,307	5,455	---	938,275	449,582	1,795,101	4,540,915	---	---
1946-----	1,078,952	239,365	3,208	---	891,263	507,298	1,656,287	4,760,464	---	---
1947-----	976,748	146,621	1,641	---	888,665	683,229	2,008,112	4,896,970	---	---
1948-----	888,933	107,066	645	---	959,715	840,647	2,069,312	5,064,245	---	---
1949-----	868,156	77,920	462	---	1,036,383	900,843	2,212,239	5,288,331	---	---
1950-----	906,077	58,650	270	---	1,172,326	937,144	2,311,510	5,579,278	---	---
1951-----	947,431	44,008	---	---	1,352,635	1,008,359	2,545,822	6,118,359	---	---
1952-----	994,128	32,778	---	---	1,541,874	1,046,923	2,819,107	6,675,619	---	---
1953-----	1,071,358	23,899	---	---	1,716,022	1,105,096	3,078,568	7,263,200	---	---
1954-----	1,169,418	17,628	---	---	1,892,773	1,131,214	3,279,073	7,772,204	---	---
1955-----	1,266,953	12,834	---	---	2,051,784	1,210,676	3,459,419	8,288,837	---	---
1956-----	1,480,204	---	---	---	2,271,784	1,346,287	3,690,009	9,066,153	---	---
1957-----	1,722,381	---	---	---	2,476,543	1,386,270	4,032,883	9,907,623	---	---
1958:-----	---	---	---	---	---	---	---	---	---	---
January-----	1,897,187	---	---	---	2,578,958	1,414,207	4,276,815	10,507,032	---	---
July-----	1,965,755	---	---	---	---	1,485,566	---	---	---	---
1959:-----	---	---	---	---	---	---	---	---	---	---
January-----	2,065,372	---	---	---	---	---	---	---	---	---

1/ Excludes Territories and possessions.

2/ 1930 to date includes regular mortgages, purchase-money mortgages, and sales contracts; before 1930 regular mortgages only. Federal land bank and Federal Farm Mortgage Corporation mortgages in process of foreclosure were estimated for 1951 and 1952.

3/ Loans held by Corporation were made on its behalf by Land Bank Commissioner. Authority to make new loans, except incidental to liquidation, expired July 1, 1947. On June 30, 1955, loans of the Federal Farm Mortgage Corporation were sold to the 12 Federal land banks.

4/ Liquidation of the joint-stock land banks began May 12, 1933, and was completed April 26, 1951. Data include banks in receivership.

5/ Data for 1940-41 include only tenant-purchase loans and direct soil and water conservation loans to individuals. Thereafter, data also include farm-development (special real estate) loans beginning 1942; farm-enlargement loans beginning 1944; project-liquidation loans beginning 1945; farm-housing loans beginning July 1950; and building-improvement loans beginning 1955. Data also include loans for these purposes from State Corporation trust funds.

6/ Estimates based on direct reports from life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," "Spectator Life Insurance Yearbook," and data from Life Insurance Association of America and Institute of Life Insurance. Includes legal reserve companies only. 1930 to date includes regular mortgages, purchase-money mortgages, and unpaid principal sales contracts; before 1930, regular mortgages only.

7/ Before 1935, open State and national banks; 1935-47, insured commercial banks; and 1948 to date, all operating banks. Beginning 1956, includes soil and water conservation loans insured by the Farmers Home Administration.

Table 2.- Farm-mortgage interest rates: Average for loans held by principal lenders, United States, January 1, selected years, 1910-58 ^{1/}

Year	Federal		Other lenders				All lenders	
	land							
	banks and	Life						
	Federal Farm Mortgage Corporation	insurance companies	Banks	Individuals	Miscellaneous 2/	Other lenders combined		
Percent	Percent	Percent	Percent	Percent	Percent	Percent		
1910----	---	5.5	6.2	6.0	6.5	6.1	6.0	
1920----	5.4	5.8	6.5	6.1	6.3	6.2	6.1	
1930----	5.4	5.7	6.5	6.1	6.1	6.2	6.0	
1935----	4.6	5.6	6.3	5.9	6.0	6.0	5.5	
1940----	3.7	4.9	5.5	5.2	5.1	5.3	4.6	
1941----	3.5	4.8	5.5	5.2	4.9	5.2	4.5	
1942----	3.5	4.8	5.4	5.1	4.8	5.1	4.4	
1943----	3.5	4.7	5.4	5.0	4.6	5.0	4.4	
1944----	3.5	4.5	5.3	5.0	4.4	4.9	4.4	
1945----	4.1	4.5	5.2	4.9	4.2	4.8	4.5	
1946----	4.2	4.4	5.2	4.9	4.3	4.8	4.6	
1947----	4.2	4.4	5.1	4.7	4.3	4.7	4.5	
1948----	4.1	4.3	5.1	4.6	4.3	4.7	4.5	
1949----	4.1	4.3	5.0	4.6	4.3	4.6	4.5	
1950----	4.1	4.3	5.0	4.6	4.4	4.7	4.5	
1951----	4.1	4.3	5.1	4.6	4.5	4.7	4.5	
1952----	4.1	4.4	5.2	4.7	4.6	4.8	4.6	
1953----	4.1	4.4	5.2	4.7	4.6	4.8	4.6	
1954----	4.1	4.5	5.3	4.7	4.7	4.8	4.6	
1955----	4.1	4.5	5.3	4.7	4.7	4.9	4.7	
1956----	4.1	4.6	5.3	4.7	4.7	4.9	4.7	
1957----	4.1	4.6	5.4	4.8	5.1	5.0	4.7	
1958----	4.2	4.7	5.5	4.8	5.1	5.0	4.8	

^{1/} Contract rates except on loans of Federal land banks, 1934-44, and Federal Farm Mortgage Corporation, 1938-45, which are included at temporarily reduced rates.

^{2/} Also includes Farmers Home Administration and joint-stock land banks.

Table 3.- Farm-mortgage debt: Total outstanding and amounts held by principal lender groups, by States, January 1, 1958

State and region	Total	Federal land banks 1/	Farmers Home Administration 2/	Life insurance companies 3/	Others 4/	All operating banks 5/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	29,620	4,061	2,391	763	22,405	7,792
New Hampshire	22,511	2,242	526	48	19,695	4,068
Vermont	42,948	9,422	806	1,166	31,554	16,970
Massachusetts	54,458	8,441	527	658	44,832	10,368
Rhode Island	6,967	1,245	24	16	5,682	2,855
Connecticut	48,526	8,356	318	2,274	37,578	9,180
New York	259,209	44,756	3,184	15,232	196,037	52,801
New Jersey	89,466	12,425	2,095	14,421	60,525	13,818
Pennsylvania	220,887	23,927	4,913	9,141	182,906	74,191
Delaware	15,264	2,194	256	418	12,396	10,099
Maryland	85,447	9,964	2,123	6,450	66,910	6/ 25,171
Northeast	875,303	127,033	17,163	50,587	680,520	227,313
Ohio	398,149	56,758	5,239	63,102	273,050	103,263
Indiana	360,547	56,086	5,716	122,475	176,270	63,552
Illinois	429,130	93,652	5,571	177,910	151,997	56,486
Iowa	764,495	136,730	8,406	312,763	306,596	70,731
Missouri	320,441	43,601	15,999	116,687	144,154	54,316
Corn Belt	2,272,762	386,827	40,931	792,937	1,052,067	348,348
Michigan	279,203	62,189	5,195	18,206	193,613	51,849
Wisconsin	408,983	60,138	7,989	27,915	312,941	74,426
Minnesota	518,479	96,515	8,185	123,571	290,208	61,590
Lake States	1,206,665	218,842	21,369	169,692	796,762	187,865
Virginia	156,214	17,034	5,766	24,114	109,300	40,606
West Virginia	30,851	6,046	3,447	1,154	20,204	11,307
North Carolina	217,821	35,225	15,072	32,168	135,356	35,159
Kentucky	173,578	24,737	7,043	45,223	96,575	63,304
Tennessee	162,909	24,690	11,748	23,639	102,832	48,590
Appalachian	741,373	107,732	43,076	126,298	464,267	198,966
South Carolina	89,762	21,452	9,460	11,142	47,708	10,510
Georgia	179,858	36,485	17,152	28,741	97,480	41,026
Florida	184,221	18,387	6,206	56,521	103,107	22,260
Alabama	152,775	43,180	16,414	13,358	79,823	22,251
Southeast	606,616	119,504	49,232	109,762	328,118	96,749
Mississippi	220,988	39,103	25,270	61,813	94,802	27,048
Arkansas	182,339	18,064	11,029	80,286	72,960	23,171
Louisiana	126,359	25,505	10,121	21,743	68,990	22,591
Delta States	529,686	82,672	46,420	163,842	236,752	73,210
Oklahoma	234,007	36,761	12,924	97,408	86,914	19,611
Texas	745,595	201,410	21,832	294,909	227,444	40,894
Southern Plains	979,602	238,171	34,756	392,317	314,358	60,505
North Dakota	136,571	28,863	7,401	12,772	87,535	9,641
South Dakota	152,587	56,759	5,813	47,156	42,859	5,081
Nebraska	335,981	93,446	7,653	113,797	121,085	14,130
Kansas	306,392	80,074	8,365	100,751	117,202	27,758
Northern Plains	931,531	259,142	29,232	274,476	368,681	56,610
Montana	165,950	32,817	4,019	37,413	91,701	3,857
Idaho	213,938	43,989	12,244	51,085	106,620	3,280
Wyoming	72,528	16,229	3,515	30,488	22,296	1,990
Colorado	211,662	35,946	4,089	70,274	101,353	7,471
New Mexico	97,235	14,257	3,513	41,928	37,537	3,184
Arizona	100,864	12,229	2,286	34,351	51,998	3,796
Utah	80,644	13,550	5,687	12,844	48,563	7,294
Nevada	27,530	3,184	579	7,630	16,137	1,040
Mountain	970,351	172,201	35,932	266,013	476,205	31,912
Washington	242,621	33,993	10,150	35,438	163,040	18,061
Oregon	224,597	29,994	7,056	40,462	149,085	15,444
California	925,925	121,076	6,548	137,134	661,167	92,224
Pacific	1,393,143	185,063	21,754	213,034	973,292	132,729
United States	10,507,032	1,897,187	339,865	2,578,958	5,691,022	1,414,207

1/ Includes regular mortgages, purchase-money mortgages, and sales contracts. State distribution of loans in process of foreclosure estimated.

2/ Includes tenant-purchase, farm-enlargement, farm-development, project-liquidation, farm-housing, and direct soil and water conservation loans to individuals, and loans for these purposes from State Corporation trust funds.

3/ Estimates based on direct reports from life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," "Spectator Life Insurance Yearbook," and data from Life Insurance Association of America and Institute of Life Insurance.

4/ Estimated total loans held by all operating banks, individuals, and miscellaneous lenders. State estimates are approximate and should be used only as general indicators of the amount of farm-mortgage debt held by this group.

5/ Includes national and State commercial, mutual and stock savings, and private banks. Mortgage loans held by banks are classified according to location of bank and, therefore, are not strictly comparable by States with mortgage loans for other lenders, which are classified according to location of security or borrower.

6/ Includes District of Columbia.

Table 4.- Farm-mortgage loans held by all operating banks and insured commercial banks, by States, specified dates, 1957-58 1/

State and region	All operating banks 2/				Insured commercial banks 3/			
	1957		1958		1957		1958	
	January 1	June 7	January 1	June 24	January 1	June 7	January 1	June 24
	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.
Maine	8,074	8,099	7,792	7,320	6,254	6,448	6,196	5,828
New Hampshire	4,030	3,927	4,068	3,940	1,756	1,772	1,763	1,751
Vermont	17,701	17,297	16,970	17,332	11,223	10,894	10,780	11,142
Massachusetts	10,726	10,511	10,368	10,297	4,086	4,050	3,971	4,054
Rhode Island	2,942	2,877	2,855	2,455	2,664	2,597	2,546	2,041
Connecticut	9,681	9,444	9,180	9,937	4,013	3,780	3,551	3,551
New York	52,654	52,746	52,801	57,401	43,691	43,786	44,268	49,352
New Jersey	13,748	14,165	13,818	13,311	13,506	13,938	13,616	13,132
Pennsylvania	71,038	73,324	74,191	76,095	70,196	72,531	73,370	75,306
Delaware	9,839	9,639	10,099	10,564	9,068	8,788	9,239	9,747
Maryland	22,932	23,847	23,725	25,077	21,985	22,815	22,937	24,052
District of Columbia	2,457	2,132	1,446	1,251	2,457	2,132	1,446	1,251
Northeast	225,822	228,008	227,313	234,980	190,899	193,531	193,683	201,207
Ohio	102,864	104,021	103,263	105,369	98,568	99,984	99,483	101,765
Indiana	61,950	62,473	63,552	65,766	59,507	60,108	60,982	63,079
Illinois	54,799	55,567	56,486	60,010	54,732	55,503	56,450	59,973
Iowa	69,995	70,370	70,731	72,788	65,480	65,950	66,389	68,754
Missouri	51,845	53,656	54,316	59,341	51,384	53,160	53,796	58,932
Corn Belt	341,453	342,087	348,348	363,274	329,671	334,705	337,100	352,503
Michigan	50,516	51,229	51,849	52,951	50,473	51,171	51,788	52,896
Wisconsin	75,322	75,822	74,426	77,164	74,542	75,035	73,970	76,692
Minnesota	60,148	60,642	61,590	61,590	41,531	42,192	42,971	43,801
Lake States	185,986	187,693	187,865	191,705	166,546	168,405	168,729	173,389
Virginia	38,617	39,928	40,606	42,669	38,617	39,928	40,584	42,648
West Virginia	11,186	11,313	11,307	11,551	10,533	10,661	10,678	11,119
North Carolina	36,575	37,921	35,159	39,358	36,399	37,690	34,954	39,151
Kentucky	61,290	63,135	63,304	67,881	60,665	62,414	62,609	67,081
Tennessee	44,480	47,212	48,590	52,023	43,977	46,759	48,054	51,468
Appalachian	192,148	199,509	198,566	213,482	190,191	197,452	196,879	211,467
South Carolina	10,032	10,900	10,510	11,274	9,964	10,830	10,446	11,203
Georgia	39,316	44,507	41,026	47,134	38,678	43,938	40,060	46,142
Florida	18,760	20,398	22,260	22,368	18,658	20,349	22,138	22,257
Alabama	21,276	22,672	22,253	25,265	21,276	22,672	22,953	25,265
Southeast	89,384	98,477	96,749	106,041	88,576	97,789	95,597	104,867
Mississippi	24,011	27,436	27,048	30,894	23,801	27,271	26,887	30,697
Arkansas	21,872	23,145	23,171	25,706	21,731	23,076	23,081	25,635
Louisiana	21,871	23,332	22,991	24,622	21,865	23,320	22,979	24,608
Delta States	67,754	73,913	73,210	81,222	67,397	73,667	72,947	80,940
Oklahoma	18,331	19,526	19,611	20,227	18,211	19,365	19,454	20,064
Texas	40,522	40,700	40,894	42,158	40,046	40,175	40,525	41,648
Southern Plains	58,853	60,226	60,505	62,385	58,257	59,540	59,979	61,712
North Dakota	8,262	9,241	9,641	10,605	5,474	6,268	6,525	7,237
South Dakota	5,349	5,078	5,081	5,539	5,349	5,078	5,081	5,539
Nebraska	13,694	14,545	14,130	14,277	12,603	13,553	13,171	13,121
Kansas	26,586	27,565	27,758	28,232	25,499	26,817	27,018	27,591
Northern Plains	53,891	56,429	56,610	58,653	48,925	51,716	51,795	53,488
Montana	3,819	3,999	3,857	4,718	3,819	3,999	3,857	4,718
Idaho	3,304	3,496	3,280	3,398	3,304	3,496	3,280	3,398
Wyoming	1,960	2,106	1,990	2,210	1,960	2,106	1,990	2,210
Colorado	7,317	7,303	7,471	7,519	7,317	7,285	7,453	7,500
New Mexico	3,325	3,636	3,184	3,771	3,325	3,636	3,184	3,771
Arizona	4,148	4,059	3,796	3,838	4,142	4,052	3,783	3,827
Utah	7,889	7,730	7,294	7,088	7,889	7,730	7,291	7,086
Nevada	1,109	1,004	1,040	1,196	1,109	1,004	1,040	1,196
Mountain	32,871	33,333	31,912	33,738	32,865	33,308	31,878	33,706
Washington	18,531	18,618	18,061	18,991	18,137	18,194	17,624	18,532
Oregon	17,574	16,337	15,444	15,812	17,574	16,337	15,444	15,812
California	102,003	98,436	99,224	105,283	102,003	98,436	99,224	105,283
Pacific	138,108	133,391	132,729	140,086	137,714	132,967	132,292	139,627
United States	1,386,270	1,417,066	1,414,207	1,485,566	1,311,041	1,343,080	1,340,879	1,412,906
Territories and possessions 4/-	8,224	6,627	10,321	10,381	6,024	4,661	7,736	7,912

1/ Loans are classified according to location of bank and, therefore, are not strictly comparable by States with data for other lenders, which are classified according to location of mortgaged farms. July 1955 to date includes soil and water conservation loans insured by the Farmers Home Administration. 2/ Includes national and State commercial, mutual and stock savings, and private banks. 3/ Data for 1935 and subsequent intervening years available in earlier issues of the Agricultural Finance Review. 4/ Alaska, Guam, Hawaii, Puerto Rico, and Virgin Islands.

Federal Deposit Insurance Corporation.

Table 5.- Farm-mortgage loans held by Federal land banks and Farmers Home Administration, by States, January 1, 1957-59

State and region	Federal land banks ^{1/}			Farmers Home Administration ^{2/}		
	1957	1958	1959	1957	1958	1959
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine-----	4,587	4,061	4,408	1,935	2,391	3,578
New Hampshire-----	2,162	2,242	2,230	380	526	543
Vermont-----	9,044	9,422	9,533	695	806	881
Massachusetts-----	7,670	8,441	8,433	484	527	604
Rhode Island-----	1,152	1,245	1,309	24	24	27
Connecticut-----	7,043	8,356	9,057	267	318	299
New York-----	40,423	44,756	47,299	2,745	3,184	3,508
New Jersey-----	11,767	12,425	12,864	1,944	2,095	2,341
Pennsylvania-----	22,557	23,927	25,877	4,038	4,913	5,341
Delaware-----	1,842	2,194	2,649	230	256	283
Maryland-----	8,684	9,964	11,317	1,728	2,123	2,634
Northeast-----	116,931	127,033	134,976	14,470	17,163	20,039
Ohio-----	47,030	56,758	65,723	4,343	5,239	5,715
Indiana-----	49,230	56,086	63,201	4,703	5,716	6,231
Illinois-----	88,507	93,652	103,229	4,565	5,571	5,984
Iowa-----	126,044	136,730	143,245	7,119	8,406	9,702
Missouri-----	41,366	43,601	48,619	13,273	15,999	19,084
Corn Belt-----	352,177	386,827	424,017	34,003	40,931	46,716
Michigan-----	56,285	62,189	68,422	4,356	5,195	6,078
Wisconsin-----	58,125	60,138	61,591	6,178	7,989	9,594
Minnesota-----	89,201	96,515	105,665	7,508	8,185	9,032
Lake States-----	203,611	218,842	235,678	18,042	21,369	24,704
Virginia-----	15,346	17,034	18,851	4,992	5,766	6,155
West Virginia-----	5,846	6,046	6,466	3,283	3,447	4,525
North Carolina-----	29,821	35,225	40,097	12,823	15,072	17,159
Kentucky-----	21,580	24,737	27,604	5,730	7,043	8,225
Tennessee-----	21,699	24,690	27,889	8,832	11,748	14,343
Appalachian-----	94,292	107,732	120,907	35,660	43,076	50,407
South Carolina-----	19,317	21,452	23,201	8,458	9,460	11,146
Georgia-----	31,627	36,485	41,735	14,214	17,152	20,082
Florida-----	14,867	18,367	22,928	4,120	6,206	9,316
Alabama-----	40,115	43,180	46,297	14,490	16,444	18,677
Southeast-----	105,926	119,504	134,161	41,282	49,232	59,221
Mississippi-----	35,926	39,103	43,745	22,482	25,270	28,472
Arkansas-----	16,835	18,064	20,611	10,554	11,029	12,159
Louisiana-----	23,105	25,505	28,607	8,546	10,121	11,465
Delta States-----	75,866	82,672	92,963	41,582	46,420	52,096
Oklahoma-----	34,404	36,761	37,427	12,126	12,924	13,328
Texas-----	189,936	201,410	211,063	19,333	21,832	24,603
Southern Plains-----	224,340	238,171	248,490	31,459	34,756	37,931
North Dakota-----	26,800	28,863	31,351	5,102	7,401	9,382
South Dakota-----	54,060	56,759	60,309	4,823	5,813	6,581
Nebraska-----	83,493	93,446	96,279	6,327	7,653	7,573
Kansas-----	68,643	80,074	85,563	7,204	8,365	8,489
Northern Plains-----	232,996	259,142	273,502	23,456	29,232	32,025
Montana-----	28,741	32,817	38,465	3,788	4,019	4,344
Idaho-----	39,274	43,989	49,330	9,741	12,244	13,916
Wyoming-----	14,448	16,229	18,045	3,014	3,515	3,902
Colorado-----	32,698	35,946	38,726	3,757	4,089	4,072
New Mexico-----	12,276	14,257	15,198	3,600	3,513	3,514
Arizona-----	10,313	12,229	13,893	2,502	2,286	2,106
Utah-----	12,771	13,550	14,836	5,030	5,687	6,682
Nevada-----	2,658	3,184	3,583	604	579	553
Mountain-----	153,179	172,201	192,076	32,036	35,932	39,089
Washington-----	31,184	33,993	38,020	8,064	10,150	12,977
Oregon-----	27,299	29,994	33,407	4,251	5,056	5,494
California-----	104,580	121,076	137,175	5,241	6,548	7,311
Pacific-----	163,063	185,063	208,602	17,556	21,754	25,782
United States-----	1,722,381	1,897,197	2,065,372	289,546	339,865	388,010

^{1/} State distribution of loans in process of foreclosure estimated.^{2/} Includes direct farm-ownership loans, direct soil and water conservation loans to individuals, and farm-housing loans. Also includes direct farm-ownership loans made from State Corporation trust funds.

Table 6.- Farmers Home Administration: Number and amount of loans outstanding, by type and by States, July 1, 1955

State and region	Loans to individuals										Non-real-estate										Loans to co-operatives										Total loans		
	Farm ownership					Soil and water conservation					Emergency 5/					Special livestock					Emergency crop and feed					Emergency 6/							
	Farm ownership		Soil and water conservation		Emergency 5/		Special livestock		Emergency crop and feed		Emergency 6/		Emergency 6/		Emergency 6/		Emergency 6/		Emergency 6/		Emergency 6/		Emergency 6/		Emergency 6/		Emergency 6/		Emergency 6/				
	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars		Number	1,000 dollars
Maine-----	168	1,209	332	1,800	7	5	1,500	6,033	601	1,892	0	0	85	28	0	0	0	0	0	0	85	28	0	0	0	0	0	0	0	0	0	10,967	
New Hampshire-----	48	467	16	64	0	0	264	1,051	1	24	0	0	8	2	0	0	0	0	0	0	8	2	0	0	0	0	0	0	0	0	0	1,608	
Vermont-----	92	770	18	83	0	0	224	967	10	29	0	0	7	1	0	0	0	0	0	0	7	1	0	0	0	0	0	0	0	0	0	1,850	
Massachusetts-----	56	419	20	91	0	0	143	523	25	136	1	2	5	2	0	0	0	0	0	0	5	2	0	0	0	0	0	0	0	0	0	1,173	
Rhode Island-----	2	19	2	19	0	0	27	80	3	3	0	0	1	7	0	0	0	0	0	0	1	7	0	0	0	0	0	0	0	0	0	106	
Connecticut-----	28	249	17	888	0	0	97	267	15	61	0	0	10	3	0	0	0	0	0	0	10	3	0	0	0	0	0	0	0	0	0	652	
New York-----	364	2,283	167	888	12	30	2,442	9,954	42	168	9	8	44	10	0	0	0	0	0	0	44	10	0	0	0	0	0	0	0	0	0	13,341	
New Jersey-----	154	1,383	133	706	13	31	2,441	3,555	168	458	22	17	66	12	0	0	0	0	0	0	66	12	0	0	0	0	0	0	0	0	0	6,431	
Pennsylvania-----	492	3,462	345	1,558	19	28	2,330	9,676	76	135	21	29	32	7	0	0	0	0	0	0	32	7	0	0	0	0	0	0	0	0	0	15,071	
Delaware-----	33	240	7	41	0	0	170	318	15	50	0	0	35	8	0	0	0	0	0	0	35	8	0	0	0	0	0	0	0	0	0	657	
Maryland-----	172	1,336	141	897	5	27	1,807	3,441	59	126	0	0	242	62	0	0	0	0	0	0	242	62	0	0	0	0	0	0	0	0	0	5,889	
Northeast-----	1,559	11,837	1,193	6,234	56	153	10,345	37,855	1,015	3,082	53	56	535	135	0	0	0	0	0	0	535	135	0	0	0	0	0	0	0	0	0	0	57,745
Ohio-----	518	4,406	184	915	9	27	2,208	5,923	24	19	1	1	55	13	0	0	0	0	0	0	55	13	0	0	0	0	0	0	0	0	0	11,304	
Indiana-----	456	4,504	261	1,279	7	26	2,542	9,444	65	86	0	0	39	9	0	0	0	0	0	0	39	9	0	0	0	0	0	0	0	0	0	15,348	
Illinois-----	471	4,438	296	1,453	49	95	3,753	13,908	150	198	1	1	45	13	0	0	0	0	0	0	45	13	0	0	0	0	0	0	0	0	0	19,806	
Iowa-----	610	7,173	359	1,666	14	46	1,753	12,123	19	9	0	0	0	2	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	23,013	
Missouri-----	1,608	12,724	892	4,009	107	204	1,859	12,728	249	543	58	192	280	64	0	0	0	0	0	0	280	64	0	0	0	0	0	0	0	0	0	37,352	
Corn Belt-----	3,663	33,245	2,096	9,022	186	392	10,929	56,124	2,708	5,745	60	194	426	101	0	0	0	0	0	0	426	101	0	0	0	0	0	0	0	0	0	104,823	
Michigan-----	401	3,167	427	2,172	12	51	3,890	11,861	148	486	0	0	183	33	0	0	0	0	0	0	183	33	0	0	0	0	0	0	0	0	0	17,770	
Wisconsin-----	811	6,594	377	2,003	4	12	3,293	10,283	37	35	1	1	390	82	0	0	0	0	0	0	390	82	0	0	0	0	0	0	0	0	0	18,990	
Minnesota-----	1,073	6,731	347	1,517	7	15	3,362	12,090	722	867	0	0	257	84	0	0	0	0	0	0	257	84	0	0	0	0	0	0	0	0	0	21,304	
Lake States-----	2,285	16,492	1,151	5,692	23	78	10,545	34,194	927	1,388	1	1	830	199	0	0	0	0	0	0	830	199	0	0	0	0	0	0	0	0	0	58,004	
Virginia-----	483	4,003	320	1,925	0	0	2,223	4,361	166	366	9	15	367	58	0	0	0	0	0	0	367	58	0	0	0	0	0	0	0	0	0	10,748	
West Virginia-----	333	1,966	284	1,737	26	18	1,995	4,125	13	85	4	1	39	4	0	0	0	0	0	0	39	4	0	0	0	0	0	0	0	0	0	7,896	
North Carolina-----	1,480	10,747	880	5,074	38	77	8,065	13,315	870	1,002	1	2	165	23	0	0	0	0	0	0	165	23	0	0	0	0	0	0	0	0	0	30,264	
Kentucky-----	515	4,566	483	2,469	26	59	4,157	6,252	206	1,052	5	9	68	11	0	0	0	0	0	0	68	11	0	0	0	0	0	0	0	0	0	14,383	
Tennessee-----	1,133	8,119	836	4,259	34	44	3,446	6,029	716	946	5	7	93	11	0	0	0	0	0	0	93	11	0	0	0	0	0	0	0	0	0	19,415	
Appalachian-----	3,594	29,701	2,083	15,464	124	198	19,876	34,082	1,971	2,524	24	34	737	107	0	0	0	0	0	0	737	107	0	0	0	0	0	0	0	0	0	82,706	
South Carolina-----	1,230	5,990	680	3,762	50	91	7,204	5,845	839	503	0	0	688	83	0	0	0	0	0	0	688	83	0	0	0	0	0	0	0	0	0	16,274	
Georgia-----	2,003	11,884	1,285	6,185	38	99	5,307	10,756	562	637	9	94	454	68	0	0	0	0	0	0	562	68	0	0	0	0	0	0	0	0	0	29,663	
Florida-----	345	2,314	633	4,648	102	447	2,590	4,566	150	852	8	56	278	18	0	0	0	0	0	0	278	18	0	0	0	0	0	0	0	0	0	12,978	
Alabama-----	1,982	10,766	1,253	6,428	9	34	5,277	8,023	735	748	4	11	160	26	0	0	0	0	0	0	160	26	0	0	0	0	0	0	0	0	0	26,036	
Southeast-----	5,560	30,594	3,251	21,033	199	671	20,376	29,130	2,286	2,740	21	161	1,530	244	0	0	0	0	0	0	1,530	244	0	0	0	0	0	0	0	0	0	84,951	
Mississippi-----	3,248	19,080	1,668	7,106	89	148	7,148	12,135	2,594	3,704	1	3	119	16	0	0	0	0	0	0	119	16	0	0	0	0	0	0	0	0	0	42,192	
Arkansas-----	1,860	8,241	962	3,068	15	36	5,014	1,815	1,815	3,971	37	109	339	46	0	0	0	0	0	0	339	46	0	0	0	0	0	0	0	0	0	25,843	
Louisiana-----	1,282	6,814	714	3,627	27	102	5,200	9,528	1,034	1,636	1	5	753	124	0	0	0	0	0	0	753	124	0	0	0	0	0	0	0	0	0	22,836	
Delta States-----	6,390	34,135	3,344	13,801	131	286	17,528	32,035	7,463	9,311	39	117	1,181	186	0	0	0	0	0	0	1,181	186	0	0	0	0	0	0	0	0	0	79,871	
Oklahoma-----	1,211	8,032	887	4,094	346	971	7,274	16,190	1,959	3,622	74	767	620	97	0	0	0	0	0	0	620	97	0	0	0	0	0	0	0	0	0	33,773	

Louisiana-----	1,242	6,818	714	3,627	346	346	971	7,274	16,190	1,953	3,622	74	767	660	97	0	33,773
Delta States-----	6,350	34,133	3,344	13,261	131	286	2,302	22,350	52,535	13,523	43,655	561	8,206	2,853	617	54	111,283
Oklahoma-----	1,211	8,032	857	4,094	346	346	1,331	15,076	36,345	13,523	43,655	561	8,206	2,853	617	54	111,283
Texas-----	1,908	14,068	1,063	6,107	463	463	2,302	22,350	52,535	13,523	43,655	561	8,206	2,853	617	54	111,283
Southern Plains-----	3,129	22,960	1,920	10,201	809	809	2,302	22,350	52,535	13,523	43,655	561	8,206	2,853	617	54	111,283
North Dakota-----	449	5,160	337	2,434	114	114	133	3,853	14,710	1,974	1,836	0	0	2,333	1,552	55	25,880
South Dakota-----	347	4,387	210	1,232	85	85	295	4,968	13,922	540	393	12	253	2,343	1,368	0	18,760
Nebraska-----	114	1,482	244	1,107	323	323	1,635	3,069	10,366	115	671	36	404	886	297	829	27,597
Kansas-----	631	6,343	252	1,289	136	136	712	3,255	11,663	1,369	6,090	36	404	886	297	829	27,597
North Central Plains-----	1,841	20,072	1,043	5,592	658	658	2,715	15,023	50,601	3,598	8,390	50	688	5,742	3,246	884	93,248
Montana-----	303	2,359	172	1,078	289	289	585	2,221	8,211	67	126	49	949	1,365	771	1,174	15,253
Idaho-----	725	9,562	340	2,201	380	380	1,091	2,808	12,649	49	140	14	393	96	40	581	28,677
Wyoming-----	234	2,344	142	975	148	148	274	1,231	5,492	140	576	13	248	191	101	467	10,477
Colorado-----	207	2,431	169	901	182	182	654	3,324	11,028	914	4,249	107	1,187	969	321	1,063	21,834
New Mexico-----	151	1,816	200	1,154	168	168	490	2,184	6,142	612	1,712	121	1,725	455	173	214	13,426
Arizona-----	65	661	75	574	148	148	824	523	1,668	44	69	7	64	41	12	213	4,285
Utah-----	298	3,348	305	1,800	330	330	887	1,800	4,156	23	78	17	392	46	10	1,260	12,011
Nevada-----	32	341	25	193	17	17	60	155	512	10	81	10	272	10	4	276	1,739
Mountain-----	1,985	23,082	1,488	8,956	1,662	1,662	4,865	13,726	49,958	1,859	7,031	338	5,230	3,173	1,432	5,248	107,702
Washington-----	539	7,779	266	1,950	449	449	1,177	3,408	10,630	245	1,580	1	25	1,284	563	1,886	25,590
Oregon-----	279	3,241	213	1,462	255	255	483	1,423	5,040	59	170	12	290	243	86	460	11,232
California-----	222	2,591	400	2,916	334	334	1,358	2,416	5,700	251	837	9	147	304	111	167	13,827
Pacific-----	1,040	13,611	879	6,388	1,038	1,038	3,018	7,247	21,370	555	2,257	22	462	1,831	760	2,513	50,659
United States-----	31,406	236,669	19,713	102,693	4,886	4,886	14,748	153,871	395,854	36,264	90,115	1,169	15,916	18,938	7,124	9,636	872,755
Territories and possessions B/-----	531	3,218	442	2,358	208	208	364	2,226	5,124	322	660	1	6	55	24	114	11,863

1/ As of April 1, 1958. On July 1, 1958, farm-ownership loans outstanding in continental United States totaled \$239,329,327 and in Territories and possessions \$3,227,492.

Includes tenant purchase, farm enlargement, farm development, building improvement, project liquidation loans, loans primarily for refinancing purposes, and any such loans from State Corporation trust funds. Excludes insured loans.

2/ Excludes soil and water conservation insured loans.

3/ Also includes production and subsistence, rural rehabilitation, construction, and wartime adjustment loans, and any such loans from State Corporation trust funds.

4/ Some duplication of borrowings exists if more than one type of loan was made to a single borrower.

5/ In addition to production emergency, economic emergency, and special emergency, includes fur, orchard, flood damage, and flood and windstorm restoration loans, and loans made through RACC and transferred to FIA April 16, 1949, for liquidation.

6/ Excludes soil and water conservation insured loans to associations.

7/ Less than \$500.

B/ Alaska, Hawaii, Puerto Rico and Virgin Islands.

Farmers Home Administration.

Table 7.- Federal land banks: Loans outstanding, principal repayments, other deductions, and loans closed, United States, 1940-58 ^{1/}

Year	Loans out- standing at beginning of year	Decreases in loans		Loans closed ^{4/}	Net change in: outstanding loans	Loans out- standing at end of year
		Principal repayments ^{2/}	Other deductions ^{3/} (net) ^{2/ 3/}			
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1940-----	1,904,655	97,413	20,299	64,275	-53,437	1,851,218
1941-----	1,851,218	128,704	23,184	65,068	-86,820	1,764,398
1942-----	1,764,398	196,898	18,628	53,974	-161,552	1,602,846
1943-----	1,602,846	294,099	12,710	61,900	-244,909	1,357,937
1944-----	1,357,937	275,722	15,562	70,275	-221,009	1,136,928
1945-----	1,136,928	221,624	18,209	130,492	-109,341	1,027,587
1946-----	1,027,587	225,305	26,748	168,887	-83,166	944,421
1947-----	944,421	190,234	31,207	146,445	-74,996	869,425
1948-----	869,425	114,381	52,448	153,977	-12,852	856,573
1949-----	856,573	65,713	76,115	184,730	42,902	899,475
1950-----	899,475	72,714	87,211	206,919	46,994	946,469
1951-----	946,469	71,199	92,780	215,083	51,104	997,573
1952-----	997,573	67,892	106,599	255,511	80,920	1,078,493
1953-----	1,078,493	69,603	119,161	290,160	101,356	1,179,889
1954-----	1,179,889	74,302	131,047	306,404	101,055	1,280,944
1955-----	1,280,944	77,306	204,881	498,408	216,221	1,497,165
1956-----	1,497,165	79,221	196,252	522,360	246,887	1,744,052
1957-----	1,744,052	75,113	148,651	398,993	175,229	1,919,281
1958-----	1,919,281	92,747	167,167	429,424	169,510	2,088,791

^{1/} Excludes purchase-money mortgages and sales contracts. Includes Puerto Rico.

^{2/} Beginning July 1948, "principal repayments" include repayments of unmatured principal only; repayments of matured principal are included in "other deductions."

^{3/} Includes foreclosures, voluntary deeds, and loans in process of foreclosure, less increases in loans by reason of reamortizations, and reinstatements.

^{4/} Includes Federal Farm Mortgage Corporation loans taken over by the Federal land banks.

Farm Credit Administration.

Table 8.- Federal land banks: Number of loans with extensions or delinquent installments as percentage of number outstanding, January 1, selected years, 1940-59 ^{1/}

State and region :	1940 :	1945 :	1950 :	1951 :	1952 :	1953 :	1954 :	1955 :	1956 :	1957 :	1958 :	1959 :
Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Maine-----	43.5	10.9	7.3	13.2	2/	2/	2/	2/	2/	29.6	30.1	13.8
New Hampshire-----	10.9	4.7	5.5	6.3	2/	2/	2/	2/	2/	8.7	4.0	4.6
Vermont-----	18.9	7.1	11.0	11.9	2/	2/	2/	2/	2/	8.7	8.2	8.5
Massachusetts-----	11.6	4.6	4.9	4.6	2/	2/	2/	2/	2/	5.9	5.8	6.3
Rhode Island-----	14.0	5.4	3.7	2.0	2/	2/	2/	2/	2/	2.6	1.9	2.8
Connecticut-----	11.6	4.0	4.6	5.0	2/	2/	2/	2/	2/	2.1	2.2	2.8
New York-----	17.8	5.5	5.5	5.8	2/	2/	2/	2/	2/	7.1	6.2	6.6
New Jersey-----	15.2	4.6	6.1	4.8	2/	2/	2/	2/	2/	5.2	5.2	5.4
Pennsylvania-----	10.7	9.6	4.7	4.8	3.5	3.7	3.6	4.8	5.3	5.5	6.4	6.9
Delaware-----	5.6	2.8	1.1	0	0	.5	.5	3.1	2.1	3.4	3.8	3.3
Maryland-----	12.7	5.3	4.0	3.1	2.8	3.3	3.3	4.0	6.4	5.6	6.4	5.6
Northeast-----	16.4	6.4	5.6	6.0	.8	.9	.9	1.2	1.4	7.5	7.1	6.6
Ohio-----	8.6	3.3	2.5	3.2	2.7	2.3	2.5	2.8	2.5	3.3	3.4	4.2
Indiana-----	7.3	1.8	2.2	2.4	2.2	2.0	1.8	2.1	2.5	2.4	2.6	2.8
Illinois-----	7.5	2.3	2.7	2.6	2.9	2.2	2.5	3.0	3.4	2.7	2.7	2.1
Iowa-----	13.8	3.8	2.1	1.5	1.9	1.3	1.0	1.4	1.0	.8	1.3	.6
Missouri-----	12.5	4.1	2.5	2.4	2.4	2.5	3.4	3.7	3.4	2.8	3.1	2.5
Corn Belt-----	10.0	3.1	2.4	2.2	2.3	1.9	2.0	2.4	2.4	2.2	2.4	2.2
Michigan-----	13.6	5.3	5.7	6.0	5.3	4.8	4.8	5.8	5.8	5.4	5.1	4.4
Wisconsin-----	27.5	5.9	6.7	7.1	6.2	5.9	6.3	7.4	8.3	7.5	5.7	5.3
Minnesota-----	20.7	6.2	4.9	5.0	4.7	4.5	4.3	5.0	5.1	3.7	4.2	3.2
Lake States-----	20.7	5.9	5.7	5.9	5.3	5.0	5.1	6.0	6.3	5.4	4.9	4.2
Virginia-----	11.8	8.2	5.6	4.4	3.7	3.9	5.3	4.7	4.7	4.6	6.0	7.0
West Virginia-----	9.4	5.0	5.4	5.4	4.5	4.5	4.8	6.5	6.7	6.0	6.4	7.8
North Carolina-----	25.6	11.8	12.4	11.2	8.9	10.6	12.7	10.9	9.8	10.0	10.4	8.5
Kentucky-----	13.5	4.5	4.2	4.3	3.5	4.2	5.4	5.6	5.4	3.7	3.6	3.6
Tennessee-----	9.2	4.6	5.7	6.1	5.6	6.7	6.8	6.4	6.4	5.6	5.8	5.7
Appalachian-----	14.6	7.1	7.6	7.2	6.0	7.1	8.4	7.8	7.4	7.0	7.4	6.8
South Carolina-----	35.5	14.8	19.6	17.5	12.7	14.7	14.5	15.2	13.3	16.0	15.4	13.3
Georgia-----	35.7	12.0	15.3	13.8	11.4	13.4	12.9	16.8	13.0	13.3	13.2	11.1
Florida-----	29.1	5.7	5.9	6.0	5.4	5.6	5.6	6.2	4.9	5.6	6.2	5.6
Alabama-----	32.0	10.0	13.1	13.9	10.0	10.2	10.5	12.2	9.0	9.7	14.3	11.0
Southeast-----	33.3	11.0	14.3	13.8	10.5	11.6	11.5	13.7	10.7	11.6	13.4	10.9
Mississippi-----	33.7	11.6	18.0	14.3	11.7	10.2	10.4	12.7	9.6	10.8	18.3	15.9
Arkansas-----	8.4	4.5	5.1	5.1	5.2	5.2	4.1	6.3	5.0	5.1	5.7	5.0
Louisiana-----	25.7	12.7	13.3	11.9	11.3	9.9	10.5	11.3	10.2	9.0	15.5	14.7
Delta States-----	23.9	9.9	13.4	11.3	9.9	8.9	8.9	10.9	8.6	9.1	14.6	13.0
Oklahoma-----	18.1	6.4	3.5	4.1	3.4	4.5	5.1	5.3	5.8	5.9	6.0	3.8
Texas-----	18.7	2.5	3/ 1	3/ 1	3/ 2	3/ 1	3/ 1	3/ 1	3/ 1	4.1	5.2	2.8
Southern Plains-----	18.6	3.2	.8	.9	.8	1.0	1.1	1.1	1.2	4.5	5.3	3.0
North Dakota-----	72.8	11.4	6.3	5.6	5.0	6.4	4.3	8.6	8.3	8.0	6.3	5.5
South Dakota-----	40.1	9.4	2.4	2.5	2.7	3.6	3.9	4.7	4.7	4.1	2.6	1.3
Nebraska-----	43.5	14.2	2.6	1.9	2.2	1.5	2.0	2.1	2.6	2.4	2.3	1.4
Kansas-----	37.4	5.5	3.8	2.2	4.6	4.2	5.0	5.0	5.8	6.5	5.9	3.4
Northern Plains-----	47.5	10.0	3.3	2.6	3.3	3.4	3.6	4.5	4.9	4.9	4.0	2.6
Montana-----	34.6	9.6	10.5	9.6	8.6	8.5	8.8	8.0	7.7	9.6	7.6	8.3
Idaho-----	20.5	5.9	10.2	8.9	5.7	6.0	7.5	5.7	7.0	6.9	5.0	4.3
Wyoming-----	23.5	10.1	6.4	5.3	4.8	6.2	6.4	5.9	6.8	5.7	3.7	2.8
Colorado-----	28.1	11.2	6.9	6.9	6.8	8.6	10.0	11.1	12.7	13.3	13.0	11.0
New Mexico-----	12.9	7.3	4.7	5.9	6.9	7.6	13.7	10.6	10.8	12.4	10.3	10.4
Arizona-----	22.0	8.0	8.9	6.9	8.0	4.5	4.9	3.7	3.6	3.4	3.8	4.0
Utah-----	29.5	7.1	6.8	3.9	3.3	5.0	5.0	3.6	3.3	2.5	2.5	3.1
Nevada-----	24.2	9.4	2.4	1.9	3.7	.5	2.6	3.7	3.4	3.6	2.8	3.5
Mountain-----	25.1	8.6	8.0	7.2	6.3	6.9	8.2	7.4	8.1	8.5	7.2	6.8
Washington-----	15.5	5.8	11.5	9.0	6.3	6.6	6.7	5.9	6.5	6.4	4.9	5.5
Oregon-----	17.7	4.4	8.1	8.2	6.2	6.8	8.7	7.3	7.8	7.1	6.9	6.9
California-----	21.4	3.2	5.2	3.4	2.9	2.4	2.9	2.7	2.0	2.1	2.2	2.4
Pacific-----	18.8	4.2	7.4	5.8	4.5	4.4	5.1	4.5	4.3	4.3	3.9	4.1
United States-----	22.5	6.3	5.9	5.6	4.5	4.6	4.9	5.4	5.1	6.0	6.3	5.2

^{1/} On June 30, 1955, loans of the Federal Farm Mortgage Corporation were sold to the 12 Federal land banks.^{2/} Not available.^{3/} Does not include delinquent items billed to borrowers and paid by the national farm loan associations.

Farm Credit Administration.

Table 9.- Farm-mortgage loans made or recorded by principal lenders, United States, 1910-58 1/

Period	Loans made 2/				Mortgages recorded 6/				Total, all lenders
	Federal land banks	Federal Farm Mortgage Corporation 3/	Joint-stock land banks 4/	Farmers Home Administra- tion 5/	Insurance companies 7/	Commercial and savings banks	Individuals and miscellaneous		
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	
1910-----	---	---	---	---	105,359	207,734	936,792	1,249,885	
1920-----	66,985	---	19,324	---	386,788	663,202	2,489,481	3,625,780	
1921-----	91,030	---	9,335	---	292,792	654,521	1,530,978	2,578,656	
1922-----	224,301	---	138,685	---	340,932	578,067	1,224,001	2,505,986	
1923-----	190,271	---	189,748	---	451,579	546,458	1,115,678	2,493,734	
1924-----	162,475	---	74,587	---	346,110	475,654	1,014,144	2,072,970	
1925-----	124,809	---	131,431	---	347,625	475,991	1,100,328	2,180,181	
1926-----	128,978	---	123,026	---	335,128	433,362	1,012,567	2,033,061	
1927-----	138,424	---	83,719	---	250,529	397,286	905,621	1,775,579	
1928-----	100,615	---	40,572	---	223,185	398,167	902,263	1,664,802	
1929-----	63,004	---	18,186	---	203,346	343,532	834,624	1,462,692	
1930-----	47,146	---	5,236	---	173,665	355,232	783,346	1,364,685	
1931-----	41,814	---	5,407	---	127,509	327,594	697,614	1,199,938	
1932-----	27,516	---	2,181	---	74,760	263,336	535,548	903,341	
1933-----	151,585	70,812	739	---	46,002	167,109	386,729	822,976	
1934-----	730,134	553,048	---	---	53,422	130,583	353,187	1,820,374	
1935-----	247,610	195,869	---	---	78,033	176,496	363,685	1,061,693	
1936-----	108,602	76,887	---	---	114,905	186,109	315,891	802,386	
1937-----	62,831	39,707	---	---	128,164	212,801	314,225	757,728	
1938-----	51,237	29,152	---	10,217	137,353	209,925	285,305	723,189	
1939-----	51,461	27,230	---	26,506	137,915	217,821	268,075	729,008	
1940-----	63,926	36,391	---	39,588	145,483	219,835	267,239	772,462	
1941-----	64,726	37,308	---	60,184	160,395	221,310	290,073	833,996	
1942-----	53,599	28,242	---	35,646	134,497	191,023	299,806	762,813	
1943-----	61,232	30,077	---	32,705	167,038	233,074	391,677	915,803	
1944-----	69,418	34,469	---	37,062	160,688	255,343	413,994	970,974	
1945-----	91,889	28,692	---	17,256	145,121	312,780	458,692	1,054,430	
1946-----	128,572	14,611	---	48,426	199,752	521,872	572,975	1,486,286	
1947-----	137,282	10,345	---	27,041	230,751	487,092	547,629	1,440,140	
1948-----	148,574	17	---	20,240	258,928	436,395	562,891	1,427,045	
1949-----	180,624	19	---	16,848	276,766	396,466	537,817	1,409,560	
1950-----	203,129	25	---	45,469	347,680	471,599	587,993	1,655,895	
1951-----	211,378	57	---	48,161	381,297	458,422	670,933	1,770,248	
1952-----	251,592	41	---	52,310	345,404	483,677	644,595	1,777,633	
1953-----	286,106	40	---	35,877	394,146	483,990	653,468	1,853,687	
1954-----	301,948	31	---	26,758	390,153	500,000	666,529	1,885,459	
1955-----	482,698	6	---	15,306	505,581	582,001	816,272	2,401,864	
1956-----	520,860	---	---	8/ 40,387	486,464	527,949	8/ 811,967	2,387,627	
1957-----	403,635	---	---	8/ 72,697	387,144	502,726	8/ 887,505	2,253,977	
January-June-----	241,301	---	---	8/ 43,182	233,309	270,839	8/ 477,318	1,265,964	
July-December-----	162,334	---	---	29,515	154,105	231,887	410,187	988,088	
1958:-----	---	---	---	---	---	---	---	---	
January-June-----	193,563	---	---	8/ 29,550	220,444	290,451	8/ 515,719	1,249,691	

1/ Excludes Territories and possessions.

2/ Amounts are those reported by Farm Credit Administration and Farmers Home Administration, except that amounts for joint-stock land banks for 1917-20 were partially estimated by the former Bureau of Agricultural Economics. Data are for loans on regular mortgages only, excluding purchase-money mortgages and sales contracts.

3/ Loans were made on Corporation's behalf by Land Bank Commissioner. Authority to make new loans, except those incidental to liquidation, expired July 1, 1947.

4/ Also includes joint-stock land banks in receivership. Active banks were placed in liquidation May 12, 1933. Loans made thereafter incidental to liquidation are included with those recorded by "miscellaneous" lenders.

5/ Includes farm-ownership loans from 1938; soil and water conservation loans to individuals (water facilities) from 1939; and farm-housing loans from 1950. Also includes farm-ownership loans made from State Corporation trust funds. The first years in which the various types of farm-ownership loans are included are as follows: Tenant-purchase, 1938; farm-development (special real estate), 1941; farm-enlargement, 1943; project-liquidation, 1944; and building-improvement, 1954. Some project-liquidation loans made in 1943 for which separate data are not available are included in 1944. A few farm-housing loans made in 1949 are included with those made in 1950; no such loans were made in 1955. Figures represent amounts advanced for project-liquidation loans and amounts obligated for all other types. Excludes insured farm-ownership and insured soil and water conservation loans.

6/ Amounts for 1910-33 are estimates of the former Bureau of Agricultural Economics, those for 1936 to date of the Farm Credit Administration, and those for 1934-35 of both organizations jointly. Data include regular mortgages, purchase-money mortgages, and sales contracts.

7/ Excludes mortgages recorded in New England States; these have been too few to classify separately and they are included with "individuals and miscellaneous" lenders.

8/ Revised.

Table 10.- Farm-mortgage interest charges: Total and amount per acre, United States, 1910-58 ^{1/}

Year	Total interest charges	Interest charges per acre 2/		Year	Total interest charges	Interest charges per acre 2/	
		Amount	Index : (1910-14 = 100)			Amount	Index : (1910-14 = 100)
		Cents			1,000 dollars	Cents	
1910-----	203,188	23.0	83	1935-----	396,092	37.6	135
1911-----	225,351	25.3	91	1936-----	364,474	34.8	125
1912-----	251,745	28.0	101	1937-----	340,730	32.6	117
1913-----	276,294	30.5	109	1938-----	320,094	30.8	110
1914-----	296,236	32.4	116	1939-----	305,449	29.5	106
1915-----	314,255	34.1	122				
1916-----	340,532	36.7	132	1940-----	293,147	28.3	102
1917-----	378,309	40.4	145	1941-----	284,451	27.3	98
1918-----	417,032	44.2	159	1942-----	272,089	26.1	94
1919-----	476,312	50.0	180	1943-----	246,119	23.5	84
				1944-----	230,367	21.9	79
1920-----	574,090	60.3	216	1945-----	221,243	20.9	75
1921-----	652,656	69.0	248	1946-----	218,807	20.7	74
1922-----	679,904	72.3	260	1947-----	224,925	21.2	76
1923-----	679,220	72.7	261	1948-----	232,477	21.8	78
1924-----	646,838	69.7	250	1949-----	243,161	22.8	82
1925-----	611,612	65.7	236				
1926-----	598,244	63.4	228	1950-----	263,906	24.7	89
1927-----	593,066	62.1	223	1951-----	291,338	27.3	98
1928-----	589,530	60.9	219	1952-----	319,207	30.0	108
1929-----	581,999	59.4	213	1953-----	346,643	32.6	117
				1954-----	373,057	35.1	126
1930-----	569,756	57.3	206	1955-----	404,582	38.0	136
1931-----	553,008	54.9	197	1956-----	445,705	41.7	150
1932-----	525,760	51.5	185	1957-----	486,663	45.4	163
1933-----	472,283	45.7	164	1958 3/-----	524,000	48.8	175
1934-----	430,420	41.1	147				

^{1/} Estimated as payable during calendar year. Excludes amounts paid by the Secretary of the Treasury to Federal land banks, 1933-44, and Federal Farm Mortgage Corporation, 1937-45, as reimbursement for interest reductions granted borrowers.

^{2/} Based on census figures for acreage in all farms, whether mortgaged or free of debt, except for 1935 to date when public and Indian lands are excluded. Acreage for the midpoint of each year is determined by a straight-line interpolation between quinquennial censuses.

^{3/} Preliminary.

Table 11.- Farm-mortgage interest charges, by regions, selected years, 1910-57 1/

Year	Northeast:	Corn Belt:	Lake States	Appala- chian	Southeast:	Delta States	Southern Plains	Northern Plains	Mountain	Pacific	United States
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1910---	20,848	66,607	26,370	6,585	5,632	5,649	18,313	30,888	8,666	13,630	203,188
1920---	34,702	166,142	72,311	23,833	19,834	17,541	50,900	97,022	47,178	44,627	574,090
1930---	40,455	155,203	67,119	26,370	21,721	16,990	61,423	82,801	38,691	58,983	569,756
1940---	27,772	79,230	38,734	18,011	11,928	11,174	25,394	35,000	16,769	29,135	293,147
1941---	26,625	77,491	37,507	17,797	11,984	11,180	24,919	33,111	16,116	27,721	284,451
1942---	25,411	74,328	36,112	17,013	11,764	10,838	24,087	31,310	15,038	26,158	272,089
1943---	23,597	66,825	33,026	15,325	10,911	9,862	21,497	28,023	13,311	23,742	246,119
1944---	22,245	61,363	31,320	14,547	10,266	9,386	20,213	25,634	12,631	22,762	230,367
1945---	21,658	57,005	30,162	14,528	10,055	9,356	19,233	23,540	12,688	23,018	221,243
1946---	22,384	53,773	28,775	15,464	10,748	9,830	18,929	21,143	13,376	24,385	218,807
1947---	24,052	52,475	28,749	16,799	11,852	10,400	19,648	19,663	14,917	26,370	224,925
1948---	25,364	52,518	29,070	17,761	12,680	10,668	20,535	18,629	16,743	28,509	232,477
1949---	26,315	54,364	29,846	18,282	13,138	10,860	21,946	18,837	18,571	31,002	243,161
1950---	27,467	58,439	31,789	19,901	14,560	11,838	24,268	20,350	21,179	34,115	263,906
1951---	28,989	63,650	34,313	22,582	16,999	13,454	26,810	22,208	24,067	38,266	291,338
1952---	30,961	68,505	36,823	25,001	19,280	15,215	29,620	23,999	26,782	43,021	319,207
1953---	33,197	72,758	39,254	27,169	21,230	17,015	32,689	26,043	29,859	47,429	346,643
1954---	35,408	77,353	41,582	29,218	22,966	18,668	35,281	28,277	33,262	51,042	373,057
1955---	37,464	83,749	44,480	31,427	25,000	20,554	38,375	31,257	36,692	55,584	404,582
1956---	39,725	91,819	48,215	34,244	28,340	23,163	41,819	35,612	41,119	61,644	445,705
1957---	41,989	99,706	51,822	37,400	32,230	26,233	44,620	39,913	45,626	67,124	486,663

1/ Estimated as payable during calendar year. Excludes amounts paid by Secretary of the Treasury to Federal land banks, 1933-44, and Federal Farm Mortgage Corporation, 1937-45, as reimbursement for interest reductions granted borrowers.

Table 12.- Farm real estate not under contract of sale held by selected lending agencies, United States, January 1, 1940-58

Year	Federal land banks 1/	Federal Farm Mortgage Corporation 1/		Life insurance companies 2/	Joint-stock land banks 3/	Insured commercial banks 4/	Three State credit agencies 5/
		Excluding prior liens	Including prior liens				
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1940-----	125,800	29,437	40,378	599,653	46,827	42,045	68,324
1941-----	109,066	25,113	32,780	547,637	36,172	33,373	60,900
1942-----	73,600	18,217	23,614	441,772	25,130	22,841	53,498
1943-----	40,435	14,322	19,909	336,233	18,306	6/ 19,532	44,145
1944-----	16,779	9,067	12,615	205,410	6,605	7/	36,159
1945-----	6,680	4,314	6,039	119,752	4,201	7/	32,691
1946-----	1,916	1,451	2,111	80,046	1,601	7/	3,619
1947-----	487	542	790	33,229	463	7/	7/
1948-----	171	162	259	13,418	154	7/	7/
1949-----	76	30	7/	5,464	3	7/	7/
1950-----	85	45	7/	2,187	8/	7/	7/
1951-----	47	53	7/	1,041	0	7/	7/
1952-----	59	26	7/	746	0	7/	7/
1953-----	80	26	7/	1,612	0	7/	7/
1954-----	103	11	7/	2,518	0	7/	7/
1955-----	74	23	7/	3,282	0	7/	7/
1956-----	165	0	0	2,793	0	7/	7/
1957-----	168	0	0	2,257	0	7/	7/
1958-----	167	0	0	2,109	0	7/	7/

1/ Investment. Also includes sheriffs' certificates and judgments.

2/ Book value. Estimates based on data from a sample of companies.

3/ Carrying value. Also includes sheriffs' certificates and judgments. Real estate held by banks in receivership included at book value.

4/ Book value.

5/ Investment. Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota. The large reduction during 1945 reflects a charge-off of approximately \$27,000,000 of cumulated losses by the Rural Credit Board of South Dakota upon completion of liquidation.

6/ July 1, 1942.

7/ Data not available.

8/ Less than \$500.

Table 13.- Farm real estate acquired and held by Federal land banks and Federal Farm Mortgage Corporation, United States, 1940-57 1/

Year	Acquired during year 2/				Held as of December 31			
	Federal land banks		Federal Farm Mortgage Corporation		Federal land banks		Federal Farm Mortgage Corporation	
	Farms	Investment	Farms	Investment 3/	Farms	Investment	Farms	Investment 3/
	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars
1940-----	5,242	23,029	3,790	12,626	21,337	109,066	7,503	25,113
1941-----	4,129	17,592	3,201	10,191	18,578	73,600	5,204	18,217
1942-----	3,067	12,968	3,245	10,994	8,322	40,435	4,056	14,322
1943-----	1,294	6,036	1,946	7,249	3,625	16,779	2,423	9,067
1944-----	513	2,331	758	2,958	1,423	6,680	1,120	4,314
1945-----	243	1,040	311	1,143	397	1,916	365	1,451
1946-----	73	280	149	587	105	487	144	542
1947-----	34	127	33	91	47	171	45	162
1948-----	18	60	10	40	24	76	13	30
1949-----	12	61	19	27	20	85	21	45
1950-----	14	35	13	28	20	47	16	53
1951-----	17	34	10	14	20	59	15	28
1952-----	17	77	12	18	27	80	10	26
1953-----	27	91	7	13	34	103	8	11
1954-----	24	68	11	22	26	74	11	23
1955-----	56	197	6	12	50	165	0	0
1956-----	4/ 50	4/ 156	0	0	49	168	0	0
1957-----	38	170	0	0	36	167	0	0

1/ Also includes sheriffs' certificates and judgments. Excludes Puerto Rico.

2/ Excludes reacquirements for 1955 and prior years.

3/ Excludes prior liens.

4/ Revised.

Farm Credit Administration.

1/ Estimated as payable during calendar year. Excludes amounts paid by Secretary of the Treasury to Federal land banks, 1933-44, and Federal Farm Mortgage Corporation, 1937-45, as reimbursement for interest reductions granted borrowers.

Table 14.- Interest rates charged on new loans by agencies of the Farm Credit Administration and by the Farmers Home Administration, January 1, selected years, 1950-59

Agency and type of loan	1950	1952	1953	1954	1955	1956	1957	1958	1959
FARM CREDIT ADMINISTRATION 1/									
Real estate loans:									
Federal land banks:									
National farm loan associations:									
Contract rate-----	4-4 1/2	4-5	4-5	4-5	4-5	4-5	4 1/2-5	5 1/2-6	5-5 1/2
Non-real-estate loans:									
Production credit associations-----	1/2-6	5-6 3/4	5-6 3/4	5-6 3/4	3/4-6	5-7	5-7	5-8	5-7
Federal intermediate credit banks-----	2	5/8-2 3/4	5/8-2 3/4	2 3/4-3	1 3/4-2	3-3 3/8	3 3/4-4 1/4	1/2-4 3/4	3-4
Banks for cooperatives:									
Loans secured by Commodity Credit Corporation documents-----	2 1/4	1/2-2 3/4	1/2-3	2 3/4-3 1/4	2 3/4	2 3/4-3	---	---	---
Commodity loans-----	1 1/4	1/2-2 3/4	1/2-3	2 3/4-3 1/4	2 3/4	2 3/4-3	3 1/4-4	4 1/4-5	3 1/4-4 1/4
Operating capital loans-----	3	3-3 1/4	3-3 1/2	3-3 1/2	3-3 1/4	3-4 1/2	3 1/2-4 1/2	1/2-5 1/4	1/4-4 3/4
Facility loans-----	4	4-4 1/2	4-4 1/2	4-4 1/2	4-4 1/2	3-4 1/2	3 1/2-4 1/2	1/2-5 1/2	3 1/4-5
FARMERS HOME ADMINISTRATION									
Real estate loans:									
Farm ownership 2/-----	4	4	4	4	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2-5
Farm housing 3/-----	4	4	4	4	---	---	4	4	4
Soil and water conservation 4/-----	3	3	3	3	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2-5
Non-real-estate loans:									
Operating 5/-----	5	5	5	5	5	5	5	5	5
Emergency-----	3	3	3	3	3	3	3	3	3
Special livestock-----	---	---	---	---	---	---	---	---	---
Fur 6/-----	3	5	5	5	5	5	5	5	---
Orchard 7/-----	---	5	5	5	5	5	5	5	---
Flood damage 8/-----	3	---	---	---	---	---	---	---	---

1/ Rates shown are for continental United States only.

2/ These rates apply to direct loans and to loans made by private lenders and insured by the Government, including a 1-percent mortgage insurance charge, through January 1, 1958. The rate for direct loans on January 1, 1959 is 4 1/2 percent. The rate for insured loans made after December 21, 1958 increased to 5 percent including the 1-percent mortgage insurance charge.

3/ These loans were made from November 1949 through June 30, 1954 and from May 1956 to the present.

4/ Prior to September 17, 1954, these loans were known as water facilities loans. Loans are made to individuals and associations. The rate from January 1, 1955 through January 1, 1958 applies to direct and insured loans, including a 1-percent mortgage insurance charge on the insured loans. The rate for direct loans on January 1, 1959 is 4 1/2 percent. The rate for insured loans made after December 21, 1958 increased to 5 percent including the 1-percent mortgage insurance charge.

5/ Prior to the fall of 1956 these loans were known as production and subsistence loans.

6/ The authority for making fur loans expired on June 30, 1956.

7/ These loans were made from July 1950 to June 1954.

8/ These loans were made from July 1948 to June 1950.

Farm Credit Administration and Farmers Home Administration.

Table 15.- Comparative rates and yields on selected bonds and money rates, selected years, 1930-58

Year or quarter	Federal land-bank bonds 1/		Federal inter- mediate credit bank debenture rates 1/ 4/	United States Government bond yields 5/		Municipal (high- grade) bond yields 8/	Indus- trial bond yields 2/	Rates on prime commer- cial paper (4-6 months) 5/ 10/	Federal Reserve bank dis- count rates, New York 5/ 11/
	Rates 2/	Yields 3/	Percent	Partially tax- exempt bonds 6/	Fully taxable bonds 15 years and over 7/	Percent	Percent	Percent	Percent
Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
1930-----	4.53	4.58	3.39	3.29	---	4.07	5.25	3.59	2.00-4.50
1935-----	3.86	3.13	1.50	2.79	---	3.40	4.02	.76	1.50
1936-----	3.60	2.81	1.50	2.69	---	3.07	3.50	.75	1.50
1937-----	3.54	2.75	1.50	2.74	---	3.10	3.55	.95	1.00-1.50
1938-----	3.53	2.37	1.24	2.61	---	2.91	3.50	.81	1.00
1939-----	3.53	1.90	.88	2.41	---	2.76	3.30	.59	1.00
1940-----	3.53	1.70	.75	2.26	---	2.50	3.10	.56	1.00
1941-----	3.53	---	.70	2.05	---	2.10	2.95	.54	1.00
1942-----	3.48	---	.77	2.09	2.46	2.36	2.96	.66	1.00
1943-----	3.42	---	.81	1.98	2.47	2.06	2.85	.69	1.00
1944-----	3.06	---	.87	1.92	2.48	1.86	2.80	.73	1.00
1945-----	2.45	---	.88	1.66	2.37	1.67	2.68	.75	1.00
1946-----	1.55	1.36	.93	---	2.19	1.64	2.60	.81	1.00
1947-----	1.55	1.46	1.11	---	2.25	2.01	2.67	1.03	1.00
1948-----	1.55	1.87	1.55	---	2.44	2.40	2.87	1.44	1.00-1.50
1949-----	1.57	1.54	1.47	---	2.31	2.21	2.74	1.48	1.50
1950-----	1.62	1.67	1.52	---	2.32	1.98	2.67	1.45	1.50-1.75
1951-----	1.71	2.24	2.18	---	2.57	2.00	2.89	2.16	1.75
1952-----	2.09	2.38	2.26	---	2.68	2.19	3.00	2.33	1.75
1953-----	2.44	2.74	2.62	---	12/ 2.94	2.72	3.30	2.52	1.75-2.00
1954-----	2.37	1.67	1.53	---	12/ 2.55	2.37	3.09	1.58	1.50-2.00
1955-----	2.46	2.74	2.28	---	12/ 2.84	2.53	3.19	2.18	1.50-2.50
1956-----	2.83	3.32	3.46	---	12/ 3.08	2.93	3.50	3.31	2.50-3.00
1957-----	3.59	3.93	4.22	---	3.47	3.60	4.12	3.81	3.00-3.50
Jan. - Mar.-----	2.98	3.68	3.91	---	12/ 3.27	3.33	3.95	3.63	3.00
Apr. - June-----	3.07	3.84	3.97	---	3.43	3.53	4.00	3.68	3.00
July - Sept.-----	3.18	4.19	4.39	---	3.63	3.85	4.26	3.95	3.00-3.50
Oct. - Dec.-----	3.59	4.01	4.57	---	12/ 3.53	3.67	4.26	3.99	3.00-3.50
1958-----	3.45	3.12	2.53	---	3.43	3.56	3.98	2.46	1.75-3.00
Jan. - Mar.-----	3.54	2.96	3.62	---	3.25	3.38	3.88	2.82	2.25-3.00
Apr. - June-----	3.49	2.60	1.74	---	3.15	3.27	3.80	1.72	1.75-2.25
July - Sept.-----	3.26	3.20	1.94	---	3.57	3.72	4.00	2.13	1.75-2.00
Oct. - Dec.-----	3.45	3.70	3.56	---	3.75	3.87	4.24	3.21	2.00-2.50

1/ Farm Credit Administration.

2/ Based on bonds outstanding at end of each year or quarter, excluding bonds owned by issuing agency. Prior to 1950 data are based on the face rate of the bonds but beginning in 1950 data represent actual net cost to the land banks.

3/ Average yields on representative outstanding issues.

4/ Based on debentures issued during each year or quarter. Prior to 1950 data are based on face rates but beginning in 1950 represent actual net cost to the intermediate credit banks.

5/ Board of Governors of Federal Reserve System.

6/ Average of yields on all outstanding partially tax-exempt Government bonds due or callable after 12 years, 1930 to 1934, and after 15 years, 1935 to 1945.

7/ April 1, 1952 through September 30, 1955, consists of fully taxable, marketable 2 1/2 percent bonds due or first callable after 12 years, beginning October 1, 1955, consists of those due or callable in 10-20 years. Prior to April 1, 1952, only bonds due or first callable after 15 years were included.

8/ Standard and Poor's Corporation.

9/ Moody's Investors Service.

10/ Prevailing open-market rates in New York City.

11/ Discount rate on advances secured by Government obligations and on discounts of and advances secured by eligible paper. A rate 0.5 percent was effective from October 30, 1942, to April 23, 1946, on advances secured by Government obligations maturing or callable in 1 year or less.

12/ Revised.

Table 16.- Non-real-estate loans to farmers: Amounts held by principal lending institutions, United States, specified dates, 1915-59 1/

[illegible]

[illegible]

1/ Excludes territories and possessions.
2/ Beginning 1942, includes certificates of interest in pool of Commodity Credit Corporation cotton loans. Beginning 1954, also includes certificates of interest issued to commercial banks on commodities other than cotton, except certificates that were reported by Commodity Credit Corporation as based on pooled loans to cooperatives. On July 1, 1950, and January 1, 1959, such certificates on cooperative loans totaled \$40,809,000 and \$64,653,000 respectively.
3/ Includes loans of associations in liquidation.

includes loans or associations in liquidation.
 2/ Loans to and discounts for livestock loan companies and agricultural credit corporations.
 3/ Includes production and subsistence, rural-rehabilitation, construction, and wartime-adjustment loans and such loans made from State Corporation trust funds except for January 1, 1938, through January 1, 1942.

¹ Includes production emergency (beginning 1949), economic emergency and special livestock (beginning 1951), flood-damage, fur, orchard, and flood and windstorm-restoration loans, and loans made by the regional agricultural credit corporations before their dissolution in 1949.

8) Includes seed, feed, crop-production, drought-relief, and orchard-rehabilitation loans. These are in liquidation.
9) Excludes pooled loans against which certificates of interest were issued. Beginning January 1, 1950, includes loans for storage facilities and equipment.
10) Includes loans made by the Government of India from January 1, 1950, through January 1, 1956, only non-real-estate facility loans are included. The date for later dates include a small amount of facility loans secured by real estate.

10/ Includes some loans to farmers by cooperative marketing associations not shown separately. Otherwise represents total of guaranteed loans and certificates of interest included in preceding columns.

11/ Includes loans of War Finance Corporation.
12/ July 1 of previous year.

12/ July 1 of previous year.
13/ Cumulative amounts obligated. Data for accounts held unavailable.
14/ Bank data are for June 7, 1957 and June 24, 1958, rather than July 1.

12° DATA WERE OBTAINED FOR JUNE 1, 1970, AND JUNE 24, 1970, RATHER THAN ONLY 4.

Table 17.- Loans to farmers' cooperative organizations: Amounts held by selected lending agencies, United States, selected years, 1930-59 ^{1/}

Beginning of year or month	Agencies supervised by Farm Credit Administration				Rural Electrification Administration		Farmers Home Administra- tion 2/	Commodity Credit Corporation
	Federal intermediate credit banks	Banks for cooperatives	Agricultural Marketing Act, revolving fund	Electricifica- tion loans	Telephone loans			
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1930-----	26,073	---	14,510	---	---	---	---	---
1940-----	1,835	76,252	20,547	169,122	---	6,721	26,845	
1941-----	1,490	74,741	16,461	232,086	---	9,978	27,931	
1942-----	2,152	150,038	16,914	304,407	---	20,114	14,369	
1943-----	2,000	222,744	12,551	328,235	---	28,490	10,325	
1944-----	2,000	254,838	7,351	331,318	---	28,912	3,655	
1945-----	700	214,278	3,067	345,688	---	25,150	1,552	
1946-----	2,042	157,680	2,693	391,137	---	17,233	737	
1947-----	4,151	212,564	2,232	509,604	---	12,218	645	
1948-----	4,000	274,943	2,603	709,428	---	10,229	177,317	
1949-----	4,709	304,684	1,315	963,814	---	8,847	354,542	
1950-----	2,400	301,887	1,365	1,252,648	---	8,574	224,535	
1951-----	3,233	344,978	1,309	1,483,953	---	8,336	128,893	
1952-----	4,000	423,952	1,451	1,669,592	1,128	8,161	203,333	
1953-----	2,000	418,504	905	1,820,005	10,105	8,058	316,368	
1954-----	500	372,110	0	1,955,186	23,313	8,579	112,963	
1955-----	2,200	361,615	---	2,037,704	47,706	9,703	113,783	
1956-----	3,000	370,683	---	2,103,961	74,477	10,657	857,953	
1957-----	---	457,108	---	2,170,414	104,387	8,819	805,086	
1958: January-----	---	454,452	---	2,256,018	133,641	10,010	683,552	
July-----	---	408,257	---	2,293,393	146,899	9,750	630,101	
1959: January-----	---	509,829	---	2,342,831	158,608	9,996	756,960	

^{1/} Includes territories and possessions.

^{2/} Also includes loans to defense relocation corporations and water-facility associations and similar loans from State Corporation trust funds.

^{3/} Also includes loans and advances under Commodity Credit Corporation programs, except advances on wool in which farmers had no beneficial interest.

Table 18.- Non-real-estate loans to farmers: Amounts held by all operating banks and by insured commercial banks, by States, June 7, 1957 and June 24, 1958 ^{1/}

State and region	All operating banks				Insured commercial banks			
	Including loans guaranteed by Commodity Credit Corporation ^{2/}		Excluding loans guaranteed by Commodity Credit Corporation		Including loans guaranteed by Commodity Credit Corporation ^{2/}		Excluding loans guaranteed by Commodity Credit Corporation	
	June 7, 1957	June 24, 1958	June 7, 1957	June 24, 1958	June 7, 1957	June 24, 1958	June 7, 1957	June 24, 1958
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine-----	10,161	9,830	10,161	8,830	8,873	7,613	8,873	7,613
New Hampshire-----	3,682	3,520	3,682	3,520	3,481	3,297	3,481	3,297
Vermont-----	11,066	11,623	11,066	11,623	12,623	13,123	12,623	13,123
Massachusetts-----	10,484	10,722	10,484	10,720	10,484	10,722	10,484	10,720
Rhode Island-----	2,243	1,158	2,243	1,158	2,096	1,056	2,096	1,056
Connecticut-----	9,035	6,049	9,035	6,049	8,874	5,890	8,874	5,890
New York-----	88,080	89,032	87,958	88,294	88,030	89,032	87,958	88,294
New Jersey-----	16,231	16,482	16,231	16,482	16,231	16,482	16,231	16,482
Pennsylvania-----	75,457	79,190	75,367	79,186	75,344	79,048	75,224	79,044
Delaware-----	4,007	4,117	4,007	4,117	4,007	4,117	4,007	4,117
Maryland-----	16,554	17,386	16,554	17,386	16,554	17,386	16,554	17,386
District of Columbia-----	312	135	312	135	312	135	312	135
Northeast-----	250,342	251,244	249,894	250,500	246,959	247,901	246,511	247,157
Ohio-----	106,108	104,641	97,167	102,133	105,425	103,854	96,484	101,346
Indiana-----	129,754	123,444	106,033	115,888	129,317	123,002	105,596	115,446
Illinois-----	324,265	311,726	228,106	257,455	324,244	311,696	228,087	257,425
Iowa-----	375,293	440,209	289,268	334,447	354,393	418,775	274,431	324,927
Missouri-----	157,026	171,457	142,844	164,670	155,630	170,242	141,524	160,508
Corn Belt-----	1,092,446	1,151,477	863,420	997,293	1,069,009	1,127,569	846,112	977,652
Michigan-----	81,652	85,691	80,153	85,256	81,628	85,691	80,129	85,256
Wisconsin-----	94,487	98,154	93,916	97,791	93,845	97,666	93,274	97,303
Minnesota-----	219,990	225,711	176,044	200,947	219,267	224,865	175,381	200,330
Lake States-----	395,129	409,556	350,113	383,994	394,760	408,222	348,784	372,859
Virginia-----	51,001	54,690	50,967	54,441	51,001	54,666	50,967	54,419
West Virginia-----	7,663	7,795	7,663	7,795	7,658	7,790	7,658	7,790
North Carolina-----	60,280	62,302	57,555	60,403	60,280	62,302	57,555	60,403
Kentucky-----	65,716	71,673	65,086	71,509	65,494	71,237	64,826	71,153
Tennessee-----	67,747	69,786	60,036	62,484	66,544	69,195	59,513	61,938
Appalachian-----	254,407	266,246	241,289	256,532	250,937	265,192	240,519	255,713
South Carolina-----	23,365	22,653	20,316	20,302	23,277	22,580	20,228	20,229
Georgia-----	58,751	58,588	49,668	51,224	58,160	57,952	49,103	50,621
Florida-----	24,212	26,236	24,137	26,086	24,139	26,106	24,064	25,956
Alabama-----	58,225	61,929	50,398	51,294	58,225	61,989	50,398	51,294
Southeast-----	164,553	169,466	144,519	149,606	163,801	168,627	143,793	148,800
Mississippi-----	54,927	57,746	44,024	46,993	54,374	57,408	43,856	46,755
Arkansas-----	71,412	79,945	63,098	68,292	71,245	79,779	62,931	68,126
Louisiana-----	31,534	33,596	27,193	28,666	31,409	33,321	27,098	28,541
Delta States-----	157,873	171,287	134,315	143,951	157,028	170,508	133,885	143,422
Oklahoma-----	102,512	123,766	99,087	105,595	101,742	123,045	98,496	104,947
Texas-----	342,536	405,364	299,385	326,087	338,756	401,684	295,675	322,531
Southern Plains-----	445,098	529,130	398,472	431,682	440,538	524,729	394,171	427,478
North Dakota-----	58,166	63,684	56,002	61,722	57,193	62,960	55,037	60,998
South Dakota-----	91,231	107,922	80,941	96,179	91,231	107,922	80,941	96,179
Nebraska-----	195,324	265,528	176,567	220,445	183,082	256,048	170,603	213,661
Kansas-----	183,704	233,125	131,490	229,152	176,736	225,040	174,721	221,547
Northern Plains-----	528,425	670,259	435,000	607,498	513,242	651,970	461,302	592,605
Montana-----	57,949	65,579	57,853	65,510	57,949	65,579	57,853	65,510
Idaho-----	48,513	50,788	48,395	50,642	48,513	50,788	48,395	50,642
Wyoming-----	32,415	37,891	32,413	37,737	32,415	37,891	32,413	37,737
Colorado-----	99,634	127,728	99,509	126,352	99,571	127,674	99,446	126,298
New Mexico-----	31,202	34,970	31,632	34,970	31,202	34,970	31,202	34,970
Arizona-----	62,048	93,381	60,038	80,708	62,048	93,381	60,038	80,708
Utah-----	27,546	29,911	26,758	29,900	27,546	29,925	26,758	29,514
Nevada-----	7,428	8,846	7,428	8,846	7,428	8,846	7,428	8,846
Mountain-----	366,735	449,924	362,025	433,347	366,672	448,654	361,952	432,907
Washington-----	66,123	74,461	65,802	74,220	65,717	74,254	65,487	74,013
Oregon-----	47,332	50,436	47,329	49,529	47,319	50,469	47,316	49,512
California-----	311,402	360,893	311,402	359,593	311,402	360,893	311,402	359,593
Pacific-----	424,157	435,840	424,533	433,342	424,138	435,616	424,205	433,118
United States-----	4,078,865	4,553,599	3,663,580	4,137,845	4,027,364	4,498,988	3,621,244	4,091,541
Territories and possessions ^{3/} -----	17,231	16,304	17,231	16,304	13,618	11,647	13,618	11,647

^{1/} Loans are classified according to the location of bank and, therefore, are not strictly comparable with data for other lenders which are classified according to location of security or borrower.

^{2/} Also includes certificates of interest in pool of Commodity Credit Corporation loans. \$48,809,000 of the certificates held on July 1, 1953, were reported by CCC as based on pooled loans to cooperatives.

^{3/} Alaska, Hawaii, Mariana Islands, Puerto Rico, Samoa (American), and Virgin Islands.

Federal Deposit Insurance Corporation.

Corporation trust funds.
^{2/} Also includes loans and advances under Commodity Credit Corporation programs, except advances on wool in which farmers had no beneficial interest.

Table 19.- Non-real-estate loans to farmers: Amounts held by production credit associations and by private financing institutions discounting with Federal intermediate credit banks, by States, January 1, and July 1, 1957-58 ^{1/}

State and region	Production credit associations ^{2/}				Private financing institutions ^{2/}			
	1957		1958		1957		1958	
	January 1	July 1	January 1	July 1	January 1	July 1	January 1	July 1
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine-----	5,838	5,467	6,433	4,231	1,891	956	2,117	560
New Hampshire-----	576	899	844	947	0	0	0	0
Vermont-----	5,690	6,314	6,509	6,799	0	0	0	0
Massachusetts-----	2,234	2,183	2,086	2,351	5	102	30	7
Rhode Island-----	721	754	665	779	0	0	0	0
Connecticut-----	2,791	2,812	3,028	2,948	0	0	0	0
New York-----	28,252	31,142	32,064	36,992	45	53	80	0
New Jersey-----	3,361	4,505	3,659	4,835	110	110	71	71
Pennsylvania-----	16,186	17,233	17,063	18,811	12	0	22	0
Delaware-----	1,760	2,298	2,005	2,703	0	0	0	0
Maryland-----	9,624	10,827	10,516	11,871	0	0	0	0
Northeast-----	77,035	86,434	84,872	93,267	2,035	1,221	2,293	638
Ohio-----	37,981	43,508	44,726	53,550	1,979	1,675	2,037	1,948
Indiana-----	33,242	41,910	43,037	53,794	673	366	647	3
Illinois-----	42,017	45,452	50,401	55,340	1,100	920	1,388	3,335
Iowa-----	20,073	19,724	24,867	26,694	1,010	683	900	71
Missouri-----	22,273	32,563	29,946	42,999	427	427	363	190
Corn Belt-----	155,586	185,157	192,977	232,377	5,159	4,071	5,340	5,537
Michigan-----	9,766	11,369	12,622	16,350	1	0	0	0
Wisconsin-----	18,978	21,707	24,124	29,625	3,025	3,042	3,005	2,989
Minnesota-----	20,203	23,009	27,072	31,713	1,938	2,086	2,312	2,661
Lake States-----	48,947	56,585	63,818	77,698	4,964	5,128	5,317	5,650
Virginia-----	9,206	12,111	10,215	14,069	0	0	0	0
West Virginia-----	2,306	2,675	2,461	2,984	0	0	0	0
North Carolina-----	12,266	33,702	23,126	45,524	29	755	0	719
Kentucky-----	16,603	21,138	21,227	28,505	34	11	16	0
Tennessee-----	14,623	21,640	22,354	29,576	57	533	268	756
Appalachian-----	55,004	71,256	71,383	120,655	120	1,299	284	1,475
South Carolina-----	8,766	13,172	11,894	21,927	0	33	0	30
Georgia-----	13,288	27,496	19,691	33,273	51	61	52	47
Florida-----	19,536	13,209	25,064	23,741	583	585	896	896
Alabama-----	8,123	13,591	10,708	15,880	778	754	873	977
Southeast-----	50,013	77,465	57,357	94,826	1,412	1,393	1,826	1,950
Mississippi-----	15,788	36,439	24,614	42,939	2,804	6,846	4,931	9,288
Arkansas-----	10,512	32,079	19,008	42,491	467	1,118	546	402
Louisiana-----	11,360	25,203	15,041	28,819	514	1,616	733	1,029
Delta States-----	38,160	93,721	58,663	114,249	3,785	9,580	6,210	10,719
Oklahoma-----	14,912	17,844	19,903	24,602	2,968	2,927	3,199	5,135
Texas-----	61,876	87,049	77,249	102,374	15,081	14,709	16,228	20,113
Southern Plains-----	76,788	104,893	97,152	126,976	18,049	17,636	19,427	25,283
North Dakota-----	7,298	9,165	8,720	12,610	942	1,055	617	802
South Dakota-----	11,840	13,344	14,205	16,233	532	465	517	225
Nebraska-----	16,613	19,395	22,009	24,699	832	517	1,044	158
Kansas-----	14,544	17,479	25,172	28,898	107	95	326	0
Northern Plains-----	50,295	59,383	70,106	82,440	2,443	2,132	2,504	1,185
Montana-----	19,137	27,419	19,604	29,502	403	553	429	568
Idaho-----	20,008	26,511	22,751	29,822	196	170	126	0
Wyoming-----	7,998	8,945	8,045	10,690	2,367	2,868	2,702	0
Colorado-----	21,592	25,827	25,617	36,825	2,982	3,103	3,504	8,109
New Mexico-----	6,807	9,728	8,659	13,166	1,311	1,358	1,125	733
Arizona-----	3,447	5,010	4,650	6,365	2,530	6,926	3,839	4,055
Utah-----	6,526	7,203	7,618	8,835	2,582	2,678	2,605	6,571
Nevada-----	2,419	2,432	2,487	2,735	823	1,030	822	0
Mountain-----	87,934	113,272	99,431	137,240	13,204	18,686	15,152	20,036
Washington-----	8,659	12,134	9,797	12,525	975	176	1,053	199
Oregon-----	19,745	26,161	23,848	29,328	243	98	218	0
California-----	31,117	48,558	33,514	55,396	7,618	9,139	6,863	12,597
Pacific-----	59,521	86,853	72,159	97,749	8,836	9,413	8,839	12,796
United States-----	699,283	953,135	885,918	1,178,190	60,007	70,559	67,192	85,234
Puerto Rico-----	7,303	7,766	8,959	9,265	3,374	1,188	3,496	751

^{1/} Excludes loans guaranteed by the Commodity Credit Corporation.^{2/} Includes all loans (except CCC-guaranteed loans) of production credit associations, whether or not discounted with Federal intermediate credit banks.^{3/} Loans from and discounts with Federal intermediate credit banks by livestock loan companies and agricultural credit corporations. These loans and discounts represent practically all of their loans to farmers.

Farm Credit Administration.

Table 20.- Farmers Home Administration: Outstanding non-real-estate loans to individuals, by type of loan and by States, specified dates, 1957 and 1958

State and region	Operating 1/			Emergency 2/			Emergency crop and feed 3/		
	1957			1958			1957		
	January 1			January 1			January 1		
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Alabama	4,616	5,201	6,033	2,349	3,150	1,892	43	32	26
Arkansas	1,099	1,094	1,051	18	24	24	3	2	2
California	1,036	978	967	50	32	29	2	2	1
Colorado	452	516	523	155	150	136	2	2	2
Connecticut	99	82	80	2	2	3	h/	h/	h/
Delaware	356	313	267	87	46	61	3	3	3
District of Columbia	9,711	9,712	9,954	343	219	176	21	12	10
Florida	2,763	3,121	3,555	465	349	475	16	17	12
Georgia	8,116	9,019	9,676	214	213	164	18	11	7
Idaho	288	284	318	17	21	50	11	8	8
Illinois	2,910	3,191	3,441	125	106	126	87	67	62
Indiana	31,446	33,511	35,865	3,825	4,312	3,138	206	156	135
Iowa	5,488	5,620	5,923	71	35	20	18	14	13
Kansas	7,412	8,090	9,444	134	66	86	14	11	9
Kentucky	10,796	11,957	13,908	230	83	199	18	13	13
Louisiana	11,205	13,086	14,123	166	18	9	7	5	2
Maine	10,749	10,326	12,726	2,158	1,675	5,625	95	68	64
Maryland	45,650	49,079	56,124	2,759	1,877	5,939	152	111	101
Massachusetts	10,685	11,044	11,861	554	456	486	50	38	33
Michigan	9,055	9,374	10,243	58	41	36	135	96	82
Minnesota	11,173	11,286	12,090	217	177	867	195	104	84
Mississippi	10,913	11,704	14,194	889	674	1,389	380	238	199
Missouri	3,263	3,615	4,361	352	179	401	122	66	58
Montana	3,809	3,896	4,125	79	64	86	9	5	4
Nebraska	8,489	9,122	13,315	820	781	1,004	58	40	23
Nevada	5,248	5,303	6,252	235	115	114	15	12	11
New Hampshire	4,371	4,738	6,029	294	217	953	33	16	11
New Jersey	25,120	26,674	34,082	1,780	1,356	2,558	237	139	107
New Mexico	4,761	4,509	5,845	630	474	503	141	91	83
New York	7,502	7,683	10,756	664	497	731	105	76	68
North Carolina	4,603	3,955	4,566	848	1,133	908	121	71	67
North Dakota	5,681	5,811	8,023	326	198	759	54	33	26
Ohio	22,547	21,958	29,190	2,468	2,302	2,901	421	271	244
Oklahoma	11,152	10,612	12,135	1,384	912	3,707	91	22	16
Oregon	8,750	7,667	10,372	1,780	1,415	4,080	123	60	46
Pennsylvania	7,053	7,669	9,528	411	374	1,641	205	138	124
Rhode Island	26,955	25,948	32,035	3,575	2,701	9,428	419	220	186
South Carolina	15,936	15,790	16,190	5,104	4,473	4,389	126	109	97
South Dakota	37,123	34,533	35,345	38,067	39,274	51,901	1,069	704	617
Tennessee	53,052	50,323	52,535	43,171	43,747	56,890	1,195	813	714
Texas	11,811	12,718	14,710	409	343	1,836	2,592	1,946	1,552
Utah	12,531	12,890	13,922	899	642	1,666	1,504	1,504	1,308
Vermont	8,228	9,360	10,306	326	346	102	122	106	89
Virginia	9,929	11,736	11,663	4,774	6,591	6,494	509	381	297
Washington	42,499	46,704	50,501	6,408	7,922	9,078	5,089	3,937	3,246
West Virginia	7,091	6,923	8,211	1,702	1,090	1,075	1,077	854	771
Wisconsin	9,174	10,606	12,649	669	554	533	58	46	40
Wyoming	5,230	4,969	5,492	645	549	824	155	123	101
Alaska	9,141	9,592	11,028	5,935	5,323	5,436	441	347	321
Hawaii	5,437	5,348	6,142	3,922	3,208	3,437	218	183	173
Puerto Rico	1,502	1,441	1,668	225	141	133	29	14	12
Virgin Islands	3,408	3,971	4,156	537	452	470	26	12	10
United States	581	549	512	516	325	353	3	3	4
Mountain	41,564	43,399	49,858	14,151	11,642	12,261	2,007	1,582	1,432
Northwest	8,189	8,859	10,630	953	1,058	1,605	672	612	563
Southwest	3,328	4,084	5,040	548	487	460	120	95	86
Pacific	6,562	5,938	5,700	1,309	1,125	984	181	132	111
United States	18,079	18,881	21,370	2,810	2,670	3,049	973	839	760
Territories and possessions	337,832	348,181	395,854	81,776	79,203	106,031	11,079	8,306	7,124
Territories and possessions 2/	3,996	4,471	5,124	557	719	666	26	25	24

1/ Includes production and subsistence, rural-rehabilitation, construction, wartime-adjustment loans, and such loans from State Corporation trust funds.

2/ Includes production emergency, economic emergency, special emergency, special livestock, fur, orchard, flood damage, flood and windstorm restoration loans, and loans formerly made by the regional agricultural credit corporations.

3/ Includes seed, feed, crop-production, drought-relief, and orchard-rehabilitation loans. These are in liquidation.

h/ Less than \$500.

i/ Alaska, Hawaii, Puerto Rico, and Virgin Islands.

Farmers Home Administration

Table 21.- Commodity Credit Corporation: Loans made from organization to July 1, 1958; loans outstanding July 1, 1958; and quantities of commodities pledged for loans

Commodity program	Loans made 1/	Loans outstanding 2/			Total	Quantity of commodity pledged		
		Held by Commodity Credit Corporation 3/	Held by lending agencies 4/			Unit	For loans made	For loans outstanding
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars			1,000 units	1,000 units
Barley:								
1940-57	538,050	---	---	---		Bu.	560,070	---
1958	2,182	---	---	---		Bu.	2,383	---
Total	540,232	19,840	1,101	20,941		Bu.	562,453	24,644
Beans, dry:								
1943-56	223,796	---	---	---		Cwt.	30,434	---
1957	14,240	---	---	---		Cwt.	2,228	---
Total	238,036	---	---	---		Cwt.	32,662	---
Corn:								
1933-56	4,346,919	---	---	---		Bu.	3,686,453	---
1957	392,055	---	---	---		Bu.	319,432	---
Total	4,738,974	278,784	232,596	511,380		Bu.	4,007,885	398,880
Cotton:								
1933-56	7,479,144	---	---	---		Bale	65,903	---
1957	490,036	---	---	---		do.	3,658	---
Total	7,969,180	206,697	159,656	366,353		do.	69,561	2,866
Flaxseed:								
1941-56	217,238	---	---	---		Bu.	65,382	---
1957	7,971	---	---	---		Bu.	2,463	---
Total	225,209	119	---	119		Bu.	57,845	42
Grain sorghum:								
1940-57	897,379	---	---	---		Cwt.	432,666	---
1958	12	---	---	---		Cwt.	6	---
Total	897,391	3,828	11	3,839		Cwt.	432,672	2,066
Naval stores:								
Resin:								
1934-57	87,539	---	---	---		Lb.	2,006,440	---
1958	73	---	---	---		Lb.	880	---
Total	87,612	73	---	73		Lb.	2,007,320	880
Turpentine:								
1934-57	19,742	---	---	---		Gal.	49,755	---
1958	14	---	---	---		Gal.	27	---
Total	19,756	14	---	14		Gal.	49,782	27
Oats:								
1945-57	233,849	---	---	---		Bu.	345,845	---
1958	2,383	---	---	---		Bu.	3,702	---
Total	236,232	10,480	987	11,467		Bu.	348,787	20,621
Peanuts:								
1937-56	432,379	---	---	---		Ton	2,361	---
1958	24,521	---	---	---		do.	122	---
Total	456,900	25	---	25		do.	2,483	57
Rice:								
1948-56	277,101	---	---	---		Cwt.	54,672	---
1957	38,505	---	---	---		Cwt.	6,277	---
Total	315,606	250	---	250		Cwt.	61,849	43
Rye:								
1939-57	46,753	---	---	---		Bu.	47,673	---
1958	2	---	---	---		Bu.	2	---
Total	46,755	130	2	132		Bu.	47,675	126
Soybeans:								
1941-56	495,132	---	---	---		Bu.	225,017	---
1957	146,269	---	---	---		Bu.	71,624	---
Total	641,401	20,138	1,736	22,074		Bu.	296,641	10,575
Tobacco:								
1931-56	1,572,264	---	---	---		Lb.	3,167,240	---
1957	75,319	---	---	---		Lb.	134,149	---
Total	1,647,583	566,884	---	566,884		Lb.	3,301,389	900,731
Wheat:								
1938-57	8,067,667	---	---	---		Bu.	4,736,263	---
1958	32,468	---	---	---		Bu.	19,171	---
Total	8,100,135	39,458	28,228	68,386		Bu.	4,755,434	37,399
Butter, 1938-40	32,136	---	---	---		Lb.	127,166	---
Flax fiber, 1946	1,237	---	---	---		Lb.	2,579	---
Peas, dry, 1943-49	2,704	---	---	---		Cwt.	846	---
Potatoes, white, 1943-49	165,570	---	---	---		Cwt.	156,174	---
Seeds, misc, 1943-53	62,526	---	---	---		Lb.	452,943	---
Sweetpotatoes, 1943-46	150	---	---	---		Cwt.	77	---
Other	307,761	25,187	3,031	28,218			---	---
Grand total	26,732,316	1,171,907	428,048	1,599,955			---	---

1/ Includes loans made directly by Commodity Credit Corporation and CCC-guaranteed loans made by lending agencies. Renewals and extensions of loans previously made are excluded.

2/ Without regard to year in which loan was made.

3/ Includes loans to cooperatives totaling \$630,101,000.

4/ Includes certificates of interest totaling \$195,690,000 against pooled loans to farmers held by Commodity Credit Corporation. Amount of loans to farmers differs from total in table 16 because of difference in reporting.

5/ Only 112 tons.

Commodity Credit Corporation.

Table 22.- Commodity Credit Corporation: Loans made on selected commodities, by States, year ended June 30, 1958 1/

State and region	Corn	Cotton	Peanuts	Tobacco	Wheat	Other 2/	Total
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine-----	0	0	0	0	0	285	285
New Hampshire-----	0	0	0	0	0	0	0
Vermont-----	0	0	0	0	0	0	0
Massachusetts-----	0	0	0	0	0	0	0
Rhode Island-----	0	0	0	0	0	0	0
Connecticut-----	0	0	0	1,534	0	0	1,534
New York-----	641	0	0	0	946	177	1,764
New Jersey-----	49	0	0	0	209	29	287
Pennsylvania-----	37	0	0	0	717	29	783
Delaware-----	25	0	0	0	43	2	70
Maryland-----	59	0	0	2,136	503	5	2,703
Northeast-----	811	0	0	3,670	2,418	527	7,426
Ohio-----	5,820	0	0	25	3,568	3,963	13,376
Indiana-----	20,766	0	0	0	1,331	6,845	28,942
Illinois-----	83,415	0	0	0	3,666	30,386	117,467
Iowa-----	125,805	0	0	0	2,321	64,851	192,977
Missouri-----	11,617	2,811	1	0	11,034	12,683	38,146
Corn Belt-----	247,423	2,811	1	25	21,920	118,728	390,908
Michigan-----	2,944	0	0	0	1,510	3,002	7,456
Wisconsin-----	1,328	0	0	159	25	147	1,659
Minnesota-----	38,091	0	0	0	7,338	40,274	85,703
Lake States-----	42,363	0	0	159	8,873	43,423	94,815
Virginia-----	28	346	11,390	1,219	866	68	13,917
West Virginia-----	20	0	0	0	8	0	28
North Carolina-----	243	13,844	22	59,159	169	2,032	75,469
Kentucky-----	1,715	43	0	11,426	1,191	289	14,664
Tennessee-----	80	7,053	0	6,557	554	288	14,532
Appalachian-----	2,086	21,286	11,412	78,361	2,788	2,677	118,510
South Carolina-----	450	8,399	0	0	211	2,399	11,459
Georgia-----	715	28,892	12,983	0	190	3,536	46,316
Florida-----	16	156	16	0	0	505	695
Alabama-----	285	29,310	11	0	38	136	29,780
Southeast-----	1,466	66,757	13,012	0	439	6,576	88,250
Mississippi-----	192	47,504	0	0	6	8,456	56,158
Arkansas-----	111	17,734	0	0	690	4,021	22,556
Louisiana-----	0	14,001	0	0	25	5,559	19,585
Delta States-----	303	79,239	0	0	721	18,036	98,299
Oklahoma-----	17	16,462	0	0	38,347	9,496	64,322
Texas-----	624	205,250	124	0	31,492	168,280	405,770
Southern Plains-----	641	221,712	124	0	69,839	177,776	470,092
North Dakota-----	2,507	0	0	0	70,664	30,951	104,122
South Dakota-----	18,559	0	0	0	29,291	13,765	61,615
Nebraska-----	71,519	0	0	0	49,844	1,980	123,343
Kansas-----	5,398	0	0	0	80,183	91,440	177,021
Northern Plains-----	97,983	0	0	0	229,982	138,136	466,101
Montana-----	1	0	0	0	40,591	49,650	90,242
Idaho-----	386	0	0	0	19,846	7,001	27,233
Wyoming-----	171	0	0	0	2,163	2,104	4,438
Colorado-----	2,999	0	0	0	18,395	11,347	32,741
New Mexico-----	56	14,559	42	0	2,438	2,176	19,271
Arizona-----	74	27,175	0	0	40	17,597	44,886
Utah-----	2	0	0	0	901	185	1,088
Nevada-----	0	37	0	0	1	1	39
Mountain-----	3,689	41,771	42	0	84,375	90,061	219,938
Washington-----	538	0	0	0	33,516	25,627	59,681
Oregon-----	282	0	0	0	13,244	10,714	24,240
California-----	2,065	55,988	0	0	437	27,414	85,904
Pacific-----	2,885	55,988	0	0	47,197	63,755	169,825
Unallocated-----	0	716	0	0	0	0	716
United States-----	399,650	490,280	24,591	82,215	468,552	659,695	2,124,983
Puerto Rico-----	0	11	0	691	0	0	702

1/ Includes loans made directly by Commodity Credit Corporation and CCC-guaranteed loans made by lending agencies.

2/ Consists mainly of grain sorghums, soybeans, barley, and rice.

Commodity Credit Corporation.

Table 23.- Rural Electrification Administration: Electrification and telephone loans outstanding, by States, July 1, 1957 and 1958 1/

State and region	Electrification loans				Telephone loans			
	July 1, 1957		July 1, 1958		July 1, 1957		July 1, 1958	
	To coopera- tives	To others 2/	To coopera- tives	To others 2/	To coopera- tives	To others 2/	To coopera- tives	To others 2/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine-----	1,786	0	2,340	0	0	2,181	0	3,382
New Hampshire-----	6,325	176	6,493	171	0	0	0	215
Vermont-----	3,041	0	3,061	0	0	121	0	122
Massachusetts-----	0	0	0	0	0	269	0	265
Rhode Island-----	0	0	0	0	0	0	0	0
Connecticut-----	0	0	0	0	0	0	0	0
New York-----	2,234	0	2,262	0	0	133	0	771
New Jersey-----	1,299	0	1,369	0	0	1,168	0	1,215
Pennsylvania-----	24,855	0	25,972	0	0	2,675	0	4,599
Delaware-----	3,922	0	4,006	0	0	0	0	0
Maryland-----	12,235	0	12,797	0	0	0	0	0
Northeast-----	55,597	176	58,300	171	0	6,547	0	10,589
Ohio-----	35,916	4,419	37,350	4,796	135	41	523	249
Indiana-----	31,690	0	32,730	0	2,396	2,450	3,373	3,217
Illinois-----	67,356	0	67,332	0	2,599	5,457	2,795	9,038
Iowa-----	104,365	0	106,491	0	4,323	3,132	4,768	5,623
Missouri-----	180,453	0	183,352	0	7,100	2,561	9,554	4,666
Corn Belt-----	420,290	4,419	429,255	4,796	17,053	13,991	21,013	22,597
Michigan-----	44,008	0	45,149	0	0	3,310	134	3,384
Wisconsin-----	83,213	6	86,171	0	2,060	3,262	3,043	4,529
Minnesota-----	104,246	625	106,510	567	9,292	3,975	10,650	6,458
Lake States-----	231,467	631	237,830	567	11,352	10,447	13,827	14,871
Virginia-----	49,359	0	50,809	0	1,297	1,913	1,309	3,730
West Virginia-----	932	0	926	0	228	562	304	750
North Carolina-----	71,239	272	74,530	246	4,179	3,417	4,695	4,194
Kentucky-----	107,047	0	112,055	0	6,733	4,564	8,392	6,659
Tennessee-----	67,271	2,991	69,309	3,110	8,980	5,257	10,159	6,733
Appalachian-----	295,848	3,263	307,629	3,356	21,417	15,713	24,559	24,121
South Carolina-----	54,770	1,408	55,637	1,448	6,299	1,721	6,666	2,017
Georgia-----	72,625	0	75,506	0	2,425	6,725	2,776	9,976
Florida-----	39,194	0	42,277	0	988	4,230	0	6,908
Alabama-----	54,855	1,618	56,340	2,108	1,499	6,137	1,566	8,225
Southeast-----	221,444	3,026	229,760	3,556	11,211	18,513	11,008	27,026
Mississippi-----	64,583	283	65,913	265	0	2,103	0	3,062
Arkansas-----	72,500	0	73,197	0	542	2,452	761	3,605
Louisiana-----	32,454	3,171	35,120	3,690	0	7,590	0	9,334
Delta States-----	169,537	3,454	174,230	3,945	542	12,145	761	16,001
Oklahoma-----	100,981	0	103,739	0	684	2,386	2,789	3,336
Texas-----	187,530	699	200,089	1,091	14,574	6,510	15,668	10,234
Southern Plains-----	288,511	699	303,828	1,091	15,258	8,896	18,457	14,824
North Dakota-----	87,331	291	86,727	268	10,953	0	17,203	33
South Dakota-----	73,566	0	72,619	0	7,731	0	9,025	0
Nebraska-----	9,428	97,645	9,183	108,458	882	213	1,634	530
Kansas-----	73,556	0	73,132	0	6,814	6,110	5,761	9,493
Northern Plains-----	241,681	97,936	241,661	108,726	26,350	6,323	26,623	10,061
Montana-----	36,932	0	38,439	0	6,614	0	8,485	0
Idaho-----	13,763	0	14,921	0	1,549	676	1,372	1,103
Wyoming-----	23,685	0	25,586	0	311	146	312	602
Colorado-----	63,594	0	71,736	0	869	395	1,996	530
New Mexico-----	56,999	0	58,219	0	2,201	176	2,274	295
Arizona-----	16,202	883	17,686	983	0	751	0	1,552
Utah-----	6,437	0	8,394	0	1,116	471	1,106	503
Nevada-----	0	0	0	220	0	333	0	402
Mountain-----	217,612	970	235,031	1,103	12,662	2,950	16,047	4,592
Washington-----	18,004	9,589	18,850	10,123	654	4,504	822	4,557
Oregon-----	29,638	357	31,523	342	2,056	1,511	2,783	3,036
California-----	4,190	14,850	5,732	18,303	0	980	0	2,095
Pacific-----	51,832	24,796	56,105	28,768	2,710	6,995	3,605	9,688
United States-----	2,196,109	139,370	2,273,629	156,079	116,585	102,820	146,200	154,846
Alaska and Puerto Rico-----	17,425	10,836	19,764	22,444	671	0	699	0

1/ Cumulative net advances minus principal repayments.

2/ Principally loans to public bodies and to power companies.

3/ Loans to commercial telephone companies.

Rural Electrification Administration.

Table 20.- Comparative income statement for agriculture, United States, 1940-58

Item	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
HOW NET INCOME WAS OBTAINED																				
Total gross farm income:																				
Cash receipts from farm marketings:	8,382	11,111	15,955	19,620	20,536	21,663	24,802	29,620	30,227	27,028	28,512	32,998	32,632	31,126	29,953	29,556	30,539	29,757	33,206	
Government payments to farmers:	723	544	650	645	776	742	772	314	257	186	283	286	274	213	257	229	554	1,016	1,059	
Home consumption of farm products:	1,210	1,469	1,758	2,253	2,181	2,356	2,859	2,971	2,925	2,399	2,223	2,471	2,374	2,161	1,944	1,806	1,779	1,763	1,748	
Rental value of farm dwellings:	723	744	794	844	919	1,011	1,303	1,447	1,505	1,408	1,464	1,608	1,736	1,765	1,711	1,741	1,744	1,794	1,922	
Net change in inventory 2/:	281	420	1,099	-53	-410	-439	29	-1,760	1,752	-263	385	1,176	921	-621	490	297	-479	758	1,117	
Total:	11,319	14,248	19,866	23,309	24,002	25,333	29,735	32,592	36,646	30,956	33,297	38,499	37,937	34,644	34,355	33,629	34,137	35,088	39,082	
Production costs, other than wages, rent, and interest on mortgages:																				
Feed bought:	998	1,059	1,625	2,135	2,427	2,738	3,022	3,746	3,996	3,024	3,283	4,144	4,331	3,770	3,906	3,840	3,873	4,083	4,450	
Livestock bought, except horses and mules:	517	635	877	908	812	1,011	1,170	1,379	1,589	1,589	2,004	2,437	1,917	1,320	1,563	1,530	1,613	1,947	2,450	
Fertilizer and lime bought:	306	334	417	505	576	657	683	755	826	895	978	1,095	1,229	1,285	1,274	1,256	1,265	1,277	1,293	
Repairs and operation of capital items:	1,006	1,099	1,244	1,407	1,528	1,626	1,921	2,401	2,784	2,889	2,921	3,187	3,433	3,435	3,393	3,423	3,616	3,735	3,785	
Depreciation and other consumption of farm capital:	796	874	1,370	1,403	1,463	1,340	1,224	1,604	2,059	2,428	2,736	3,226	3,399	3,520	3,616	3,722	3,741	3,915	4,012	
Taxes on farm real estate and personal property:	451	463	466	477	499	557	617	733	866	873	919	997	1,038	1,062	1,086	1,149	1,203	1,265	1,345	
Seed bought:	197	203	301	406	440	455	488	514	524	521	543	531	561	554	560	542	577	534	542	
Miscellaneous:	708	798	849	929	975	974	1,134	1,426	1,580	1,696	1,170	2,079	2,117	2,100	2,076	2,167	2,259	2,314	2,454	
Total:	4,979	5,495	7,149	8,170	8,720	9,338	10,319	12,558	14,221	13,817	15,122	17,706	18,058	17,012	17,416	17,664	18,144	19,070	20,331	
Net income from agriculture:	6,340	8,753	12,717	15,139	15,282	15,995	19,416	20,034	22,425	17,141	18,175	20,793	19,879	17,632	16,939	15,965	15,993	16,018	18,751	
HOW NET INCOME WAS DISTRIBUTED																				
Wages to hired labor (cash and perquisites):	1,029	1,249	1,631	2,027	2,202	2,299	2,544	2,810	3,034	2,865	2,678	2,800	2,862	2,793	2,716	2,736	2,791	2,872	2,981	
Net rent and Government payments to landlords not living on farms 3/:	448	647	890	1,044	1,043	1,064	1,401	1,455	1,370	1,107	1,233	1,368	1,421	1,214	1,159	1,057	1,124	1,080	1,088	
Interest on farm-mortgage debt:	293	284	272	246	230	211	209	243	240	240	240	240	240	240	240	240	240	240	240	
Net income of farm operators:	4,570	6,573	9,924	11,822	11,807	12,411	15,252	15,544	17,709	12,966	14,000	16,334	15,337	13,278	12,691	11,767	11,632	11,598	14,177	
Net change in inventory 2/:	801	420	1,099	-53	-410	-439	29	-1,760	1,752	-263	385	1,176	921	-621	490	297	-479	758	1,117	
Realized net income of farm operators:	4,269	6,153	8,825	11,875	12,217	12,850	15,223	17,304	16,077	13,769	13,185	15,158	14,416	13,899	12,201	11,470	2,111	10,840	13,060	
Net income from agriculture:	6,340	8,753	12,717	15,139	15,282	15,995	19,416	20,034	22,425	17,141	18,175	20,793	19,879	17,632	16,939	15,965	15,993	16,018	18,751	
REALIZED NET INCOME OF FARM OPERATORS																				
Net income of farm operators:	4,570	6,573	9,924	11,822	11,807	12,411	15,252	15,544	17,709	12,966	14,000	16,334	15,337	13,278	12,691	11,767	11,632	11,598	14,177	
Net change in inventory:	801	420	1,099	-53	-410	-439	29	-1,760	1,752	-263	385	1,176	921	-621	490	297	-479	758	1,117	
Realized net income of farm operators:	4,269	6,153	8,825	11,875	12,217	12,850	15,223	17,304	16,077	13,769	13,185	15,158	14,416	13,899	12,201	11,470	2,111	10,840	13,060	

1/ Revised.

2/ Reflects the physical changes during the year in all livestock and crops on farms, except crops under 000 loan, with the changes valued at average prices for the year.

3/ After subtraction of taxes, mortgage interest, and other expenses paid by such landlords.

4/ Preliminary.

Table 25.- Comparative balance sheet of

Item	1940	1941	1942	1943	1944	1945	1946	1947
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars
ASSETS								
Physical assets:								
1 Real estate-----	33.6	34.4	37.5	41.6	48.2	53.9	61.0	68.5
Non-real-estate:								
2 Livestock-----	5.1	5.3	7.1	9.6	9.7	9.0	9.7	11.9
3 Machinery and motor vehicles 1/-----	3.1	3.3	4.0	4.9	5.3	6.3	5.2	5.1
4 Crops stored on and off farms 2/-----	2.7	3.0	3.8	5.1	6.1	6.7	6.3	7.1
5 Household furnishings and equipment 1/ 3/-----	4.3	4.3	4.5	4.6	4.6	4.7	4.8	5.4
Financial assets:								
6 Deposits and currency-----	3.2	3.5	4.2	5.4	6.6	7.9	9.4	10.2
7 United States savings bonds 1/-----	.2	.4	.5	1.1	2.2	3.4	4.2	4.2
8 Investments in cooperatives-----	.8	.9	.9	1.0	1.1	1.2	1.4	1.5
9 Total 1/ 4/-----	53.0	55.1	62.5	73.3	83.8	93.1	102.0	113.9
CLAIMS								
Liabilities:								
10 Real estate debt-----	6.6	6.5	6.4	6.0	5.4	4.9	4.8	4.9
11 Non-real-estate debt to: Corporation 5/-----	.4	.6	.6	.8	.6	.7	.3	.1
12 Other reporting institutions 6/-----	1.5	1.6	1.8	1.7	1.7	1.6	1.7	2.0
13 Nonreporting creditors 7/-----	1.5	1.7	1.7	1.5	1.2	1.1	1.2	1.5
14 Total liabilities 4/-----	10.0	10.4	10.5	10.0	8.9	8.3	8.0	8.5
15 Proprietors' equities 1/-----	43.0	44.7	52.0	63.3	74.9	84.8	94.0	105.4
16 Total 1/ 4/-----	53.0	55.1	62.5	73.3	83.8	93.1	102.0	113.9

1/ Revised.

2/ Includes all crops held on farms for whatever purpose and crops held off farms as security for Commodity Credit Corporation loans. The latter on January 1, 1958, totaled \$700 million.

3/ Estimated valuation for 1940, plus purchases minus depreciation since then.

4/ Total of rounded data.

5/ Includes loans held and loans guaranteed. Although these are nonrecourse loans, they are included as liabilities because borrowers must either repay in cash or deliver the commodities on which they were based. The values of the underlying commodities are included among the

agriculture, United States, January 1, 1940-58

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	
1947												
Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	
68.5	73.7	76.6	75.3	86.8	96.0	96.6	94.7	98.8	102.7	109.5	116.3	1
11.9	13.3	14.4	12.9	17.1	19.5	14.8	11.7	11.2	10.7	1/11.1	14.2	2
5.1	7.0	9.4	11.3	13.0	15.2	15.6	16.3	16.2	16.7	17.2	17.6	3
7.1	9.0	8.6	7.6	7.9	8.8	9.0	9.2	9.6	8.3	1/8.3	7.6	4
5.4	6.2	7.0	7.8	8.7	9.5	10.2	10.8	11.4	11.9	12.4	12.8	5
10.2	9.9	9.6	9.1	9.1	9.4	9.4	9.4	9.4	9.5	1/9.3	9.4	6
4.2	4.4	4.6	4.7	4.7	4.7	4.6	4.7	5.0	5.2	5.1	5.1	7
1.5	1.7	1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.3	3.5	3.7	8
113.9	125.2	132.1	130.8	149.6	165.6	162.9	159.7	164.7	168.3	176.4	186.7	9
4.9	5.1	5.3	5.6	6.1	6.7	7.3	7.8	8.3	9.1	9.9	10.5	10
.1	.1	1.2	1.7	.8	.6	1.2	2.4	2.2	1.9	1.6	1.2	11
2.0	2.3	2.7	2.8	3.4	4.1	4.2	1/3.7	4.0	4.4	4.5	5.0	12
1.5	1.8	2.2	2.4	2.8	3.2	3.4	3.2	3.3	3.5	3.5	3.5	13
8.5	9.3	11.4	12.5	13.1	14.6	16.1	1/17.1	17.8	18.9	19.5	20.2	14
105.4	115.9	120.7	118.3	136.5	151.0	146.8	142.6	146.9	149.4	156.9	166.5	15
113.9	125.2	132.1	130.8	149.6	165.6	162.9	159.7	164.7	168.3	176.4	186.7	16

assets; hence the loans must be included as liabilities to avoid overstating the amount of proprietors' equities.

6/ Loans of all operating banks, the production credit associations, and the Farmers Home Administration, and discounts of the Federal intermediate credit banks for agricultural credit corporations and livestock loan companies.

7/ Loans and credits extended by dealers, merchants, finance companies, individuals, and others. Estimates based on fragmentary data.

Table 26-- Deposits of country banks: Index numbers of demand, time, and total deposits, selected groups of States, 1940-58 1/

(1947-49 = 100)

Year or month	20 of the leading agricultural States 2/			3 Lake States 3/			5 Corn Belt States 4/			8 Cotton States 5/		
	Demand			Demand			Demand			Demand		
	Total	Unadjusted	Adjusted	Total	Unadjusted	Adjusted	Total	Unadjusted	Adjusted	Total	Unadjusted	Adjusted
1940-----	26	21	---	45	30	25	36	24	20	36	24	20
1945-----	80	82	---	76	79	83	74	79	81	75	82	85
1950-----	102	102	---	104	101	103	99	101	101	102	100	100
1951-----	105	107	---	106	104	110	98	106	107	104	105	105
1952-----	111	112	---	118	109	117	103	111	111	113	113	112
1953-----	115	115	---	132	116	122	111	118	116	124	118	117
1954-----	119	117	---	146	122	127	117	123	120	134	122	118
1955-----	122	119	---	156	127	133	121	126	121	140	128	123
1956-----	124	121	---	166	131	138	125	129	124	145	135	129
1957-----	127	121	---	190	136	140	133	133	125	158	140	129
August-----	126	118	120	194	137	140	135	132	123	161	138	126
September-----	128	121	121	197	139	145	135	134	126	162	141	129
October-----	130	124	122	199	140	146	136	136	129	162	143	131
November-----	130	123	120	201	140	144	137	136	128	164	145	132
December-----	130	123	120	200	139	142	137	135	127	164	145	132
1958-----												
January-----	131	123	120	207	140	143	139	136	127	165	146	133
February-----	128	120	119	210	138	139	139	134	124	166	144	129
March-----	129	119	119	214	140	140	140	134	124	168	143	127
April-----	130	120	122	217	140	139	141	136	125	170	144	128
May-----	130	119	122	220	141	139	143	137	125	174	143	126
June-----	131	119	123	224	142	142	144	137	125	175	144	126
July-----	132	121	123	227	144	142	146	138	126	177	146	127
August-----	134	123	124	230	146	145	148	140	128	179	149	130

3 Delta States <u>6/</u>				Texas-Oklahoma				4 Great Plains States <u>7/</u>				8 Mountain States <u>8/</u>			
Total	Demand	Time		Total	Demand	Time		Total	Demand	Time		Total	Demand	Time	
1940-----	23	19	45	23	20	74		21	17	46		27	22	45	
1945-----	79	81	67	81	81	78		73	73	74		84	84	83	
1950-----	104	104	106	109	109	121		99	98	104		101	101	100	
1951-----	110	110	108	111	110	132		101	100	106		107	108	104	
1952-----	118	118	119	118	116	164		107	105	118		115	114	121	
1953-----	127	126	132	118	114	201		109	105	134		119	115	137	
1954-----	135	131	156	122	116	242		110	104	145		122	116	151	
1955-----	144	138	176	125	118	279		110	104	152		124	117	159	
1956-----	155	148	193	127	118	322		108	101	156		127	117	176	
1957-----	164	150	231	128	115	405		109	98	183		129	113	204	
August-----	162	146	237	126	113	420		108	97	191		127	109	205	
September-----	162	146	239	128	115	428		111	99	199		130	112	207	
October-----	166	151	241	129	115	435		112	101	200		132	115	210	
November-----	169	154	244	130	117	441		112	100	202		136	119	213	
December-----	170	154	245	131	117	435		112	100	203		136	119	215	
1958:															
January-----	172	156	250	136	121	471		115	102	207		135	117	218	
February-----	169	152	253	134	118	487		113	100	209		133	113	223	
March-----	169	150	257	132	116	502		112	98	212		132	111	224	
April-----	171	152	260	133	116	511		113	99	214		132	110	227	
May-----	169	148	264	130	113	521		112	97	216		132	111	228	
June-----	170	149	269	132	114	535		112	97	220		134	111	232	
July-----	171	149	274	135	117	547		114	99	222		134	112	234	
August-----	174	150	282	137	119	555		118	102	226		136	114	235	

^{1/} For earlier years see "Agricultural Finance Review," vol. 15, Supp. I, May 1953, pp. 14 and 50. Indexes are based on deposits of member banks of the Federal Reserve System located in places of less than 15,000 population. Annual indexes are simple averages of monthly deposits which are based on average amounts of daily deposits. In preparing indexes for groups of States, the amounts of monthly deposits for each State are weighted by the cash farm income of each State in the base period. ^{2/} Ark., Ill., Ind., Iowa, Kans., Ky., Mich., Minn., Mo., Nebr., N. Y., N. C., N. Dak., Ohio, Okla., Pa., S. Dak., Tex., Wash., and Wis. ^{3/} Mich., Wis., and Minn. ^{4/} Ohio, Ind., Ill., Mo., and Iowa. ^{5/} N. C., S. C., Ga., Ala., Miss., Ark., La., and Okla. ^{6/} Miss., Ark., and La. ^{7/} N. Dak., S. Dak., Nebr., and Kans. ^{8/} Mont., Idaho, Wyo., Colo., N. Mex., Ariz., Utah, and Nev.

Table 27.- Farm real estate: Average value per acre and total value, United States, selected years, 1850-1900, and 1910-58 ^{1/}

Year	Value of farm real estate		Year	Value of farm real estate	
	Per acre	Total		Per acre	Total
	Dollars	Million dollars		Dollars	Million dollars
1850-----	11.14	3,270	:: 1930-----	48.52	47,873
1860-----	16.31	6,642	:: 1931-----	43.72	43,730
1870-----	18.25	7,441	:: 1932-----	36.67	37,180
1880-----	19.01	10,193	:: 1933-----	29.98	30,802
1890-----	21.30	13,273	:: 1934-----	30.93	32,201
1900-----	19.80	16,603	:: 1935-----	31.54	33,264
1910-----	39.59	34,793	:: 1936-----	32.45	34,260
1911-----	40.66	36,042	:: 1937-----	33.31	35,213
1912-----	41.71	37,298	:: 1938-----	33.23	35,170
1913-----	42.64	38,456	:: 1939-----	32.17	34,085
1914-----	43.51	39,579	:: 1940-----	31.71	33,636
1915-----	43.16	39,590	:: 1941-----	31.94	34,400
1916-----	45.69	42,264	:: 1942-----	34.35	37,547
1917-----	48.80	45,524	:: 1943-----	37.50	41,604
1918-----	53.14	49,980	:: 1944-----	42.83	48,200
1919-----	57.51	54,533	:: 1945-----	47.20	53,884
1920-----	69.37	66,310	:: 1946-----	53.31	61,046
1921-----	64.79	61,523	:: 1947-----	59.62	68,463
1922-----	57.30	54,050	:: 1948-----	63.96	73,664
1923-----	56.17	52,629	:: 1949-----	66.33	76,623
1924-----	54.25	50,487	:: 1950-----	64.96	75,256
1925-----	53.51	49,463	:: 1951-----	74.92	86,798
1926-----	52.31	49,000	:: 1952-----	82.87	95,995
1927-----	50.23	47,680	:: 1953-----	83.43	96,638
1928-----	49.42	47,532	:: 1954-----	81.76	94,688
1929-----	49.25	47,985	:: 1955-----	85.29	98,780
			:: 1956-----	88.63	102,652
			:: 1957-----	94.52	109,469
			:: 1958-----	100.39	116,268

^{1/} Farmland and buildings as of date of census enumeration for years 1850-90, 1900, 1910, 1920, 1925, 1930, 1940, and 1950, excluding District of Columbia. The 1954 census data were adjusted to March 1955 on the basis of the change in the index of average value from November 1954 to March 1955. Other years as of March 1 are interpolated by applying the change shown in the revised index of value per acre to census data. Acres in farms are interpolated from census data at 5-year intervals. Acres in farms reported by the 1954 census were used for 1955-58.

States, Table 28.- Farm real estate: Index numbers of average value per acre, United States, 1912-58 ^{1/}

Year	: 1912-14: 1947-49:		Year	: 1912-14: 1947-49:		Year	: 1912-14: 1947-49:	
	: = 100	: = 100		: = 100	: = 100		: = 100	: = 100
1912----	97	57.7	1943:	:	:	1952:	:	:
1913----	100	59.5	March--	98	58.3	March--	221	131.5
1914----	103	61.2	July--	100	59.4	July--	223	132.6
1915----	103	61.1	Nov.--	103	61.4	Nov.--	222	132.3
1916----	110	65.1	1944:	:	:	1953:	:	:
1917----	118	70.3	March--	113	66.9	March--	221	131.5
1918----	130	77.5	July--	116	68.7	July--	218	129.9
1919----	142	84.5	Nov.--	118	69.9	Nov.--	215	127.7
1920----	173	102.8	1945:	:	:	1954:	:	:
1921----	160	95.3	March--	124	74.0	March--	216	128.4
1922----	140	83.5	July--	128	76.2	July--	218	129.5
1923----	136	80.9	Nov.--	131	77.9	Nov.--	221	131.5
1924----	131	77.7	1946:	:	:	1955:	:	:
1925----	128	76.1	March--	141	83.7	March--	224	133.1
1926----	125	74.2	July--	145	86.5	July--	228	135.6
1927----	120	71.1	Nov.--	150	89.1	Nov.--	231	137.5
1928----	117	69.9	1947:	:	:	1956:	:	:
1929----	116	69.2	March--	157	93.6	March--	232	137.9
1930----	114	68.0	July--	160	95.3	July--	236	140.4
1931----	103	61.2	Nov.--	163	96.7	Nov.--	241	143.4
1932----	86	51.2	1948:	:	:	1957:	:	:
1933----	70	41.9	March--	170	101.2	March--	247	147.0
1934----	74	43.9	July--	175	103.8	July--	253	150.6
1935----	77	45.5	Nov.--	178	105.6	Nov.--	258	153.5
1936----	80	47.5	1949:	:	:	1958:	:	:
1937----	83	49.3	March--	177	105.2	March--	262	155.9
1938----	84	49.7	July--	174	103.6	July--	268	159.2
1939----	82	48.7	Nov.--	172	102.1	Nov.--	274	162.8
1940----	82	48.7	1950:	:	:	:	:	:
1941----	83	49.2	March--	174	103.3	:	:	:
1942:	:	:	July--	178	105.6	:	:	:
March--	89	53.2	Nov.--	186	110.5	:	:	:
July--	89	53.2	1951:	:	:	:	:	:
Nov.--	91	54.4	March--	200	119.1	:	:	:
:	:	:	July--	209	124.3	:	:	:
:	:	:	Nov.--	214	127.1	:	:	:
:	:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:	:

^{1/} Farmland and buildings as of March 1, except as indicated.

Table 29.- Farm real estate values: Index numbers of average value per acre, by States, March 1, selected years 1940-58

	(1947-49 = 100)										
State and region	1940	1945	1950	1951	1952	1953	1954	1955	1956	1957	1958
Maine-----	69	85	95	98	103	111	109	104	107	114	118
New Hampshire-----	67	83	97	101	105	108	105	105	108	113	119
Vermont-----	58	74	101	106	113	113	107	104	107	112	120
Massachusetts-----	74	87	99	107	112	112	106	106	108	117	126
Rhode Island-----	66	79	101	109	111	111	109	108	112	122	133
Connecticut-----	65	78	100	107	110	111	109	111	115	126	137
New York-----	59	75	105	110	121	121	118	119	124	133	137
New Jersey-----	62	79	103	108	122	126	129	132	143	156	168
Pennsylvania-----	58	80	102	117	129	129	130	134	143	154	163
Delaware-----	55	76	99	106	121	123	124	130	135	148	163
Maryland-----	50	73	98	109	121	129	129	136	140	153	167
Northeast-----	60	78	102	110	121	122	121	123	130	139	147
Ohio-----	46	72	101	120	134	134	132	141	151	161	171
Indiana-----	44	73	103	123	135	138	137	147	154	166	173
Illinois-----	50	74	108	127	138	140	139	142	149	161	169
Iowa-----	50	73	108	125	132	128	125	133	136	142	147
Missouri-----	50	78	106	124	138	132	124	130	134	146	156
Corn Belt-----	49	74	106	125	135	134	132	139	144	154	162
Michigan-----	46	73	100	115	123	126	128	133	141	152	158
Wisconsin-----	58	76	101	112	119	119	113	113	117	127	133
Minnesota-----	55	74	109	127	137	134	127	135	145	160	171
Lake States-----	54	75	104	119	127	127	122	127	135	147	154
Virginia-----	48	74	101	115	129	134	129	135	143	152	161
West Virginia-----	58	72	95	105	112	113	107	110	117	125	132
North Carolina-----	43	70	106	117	132	138	133	140	146	154	161
Kentucky-----	42	70	102	116	128	123	116	115	115	127	133
Tennessee-----	42	69	103	115	124	125	116	118	121	129	136
Appalachian-----	44	70	103	115	127	129	123	126	130	139	146
South Carolina-----	43	70	97	108	117	119	120	121	126	136	143
Georgia-----	45	73	99	109	128	136	134	138	145	157	171
Florida-----	57	96	97	109	120	123	134	141	157	183	213
Alabama-----	47	69	101	113	125	131	125	125	134	142	152
Southeast-----	48	79	99	110	123	128	129	132	141	156	171
Mississippi-----	46	71	106	122	134	139	135	137	147	159	169
Arkansas-----	40	71	105	120	131	128	124	126	132	144	154
Louisiana-----	57	77	105	111	120	130	132	138	146	161	174
Delta States-----	46	72	104	117	128	131	129	132	140	152	163
Oklahoma-----	50	69	108	127	138	133	128	136	138	148	155
Texas-----	55	77	102	121	139	134	133	137	139	151	158
Southern Plains-----	54	75	103	122	139	133	132	137	139	150	157
North Dakota-----	48	71	107	116	133	136	134	132	136	150	162
South Dakota-----	47	69	111	127	145	140	135	139	140	146	156
Nebraska-----	47	68	104	123	136	136	127	134	133	131	146
Kansas-----	45	70	106	119	131	133	125	129	133	136	147
Northern Plains-----	46	70	107	121	135	135	129	133	135	138	150
Montana-----	43	68	104	127	141	144	142	146	152	162	171
Idaho-----	43	76	107	125	134	138	136	142	146	152	158
Wyoming-----	40	67	100	118	129	128	123	123	123	121	128
Colorado-----	37	64	104	121	133	130	128	128	124	121	130
New Mexico-----	36	70	107	123	138	136	135	136	137	133	141
Arizona-----	40	75	99	113	127	136	135	137	144	145	157
Utah-----	49	73	107	121	134	137	133	137	139	136	142
Nevada-----	49	81	99	114	129	129	137	139	142	145	153
Mountain-----	41	70	104	122	134	136	134	136	138	139	148
Washington-----	45	75	101	117	127	134	132	137	140	147	156
Oregon-----	41	74	99	114	121	127	123	128	130	137	144
California-----	42	80	94	108	123	125	122	128	137	147	158
Pacific-----	42	79	96	110	123	127	124	130	137	146	156
United States-----	49	74	103	119	132	132	128	133	138	147	156

Table 30.- Farm real estate: Land transfers and value, United States, selected years, 1930-58

Table 30.- Farm real estate: Land transfers and value, United States, selected years, 1930-58

Year ended March 15	Number of farms changing ownership per 1,000 farms				Index of average value per acre (1947-49 = 100) 3/	
	Voluntary sales and trades	Forced sales and related defaults 1/	Other 2/	Total	Number	Number
1930-----	23.7	20.8	17.0	61.5	68	
1935-----	19.4	28.3	21.4	69.1	46	
1940-----	30.3	15.8	16.7	62.8	49	
1941-----	34.1	13.7	15.7	63.5	49	
1942-----	41.7	9.2	15.0	65.9	53	
1943-----	45.8	6.5	14.5	66.8	58	
1944-----	56.0	4.8	15.2	76.0	67	
1945-----	51.5	2.9	15.1	69.5	74	
1946-----	57.3	2.3	15.2	74.8	84	
1947-----	57.6	1.8	16.2	75.6	94	
1948-----	48.9	1.5	15.3	65.7	101	
1949-----	40.9	1.6	14.3	56.8	105	
1950-----	37.0	1.8	13.4	52.2	103	
1951-----	39.4	1.8	12.8	54.0	119	
1952-----	37.4	2.1	12.6	52.1	132	
1953-----	34.2	1.6	11.8	47.6	132	
1954-----	29.9	2.1	12.1	44.1	128	
1955-----	31.9	2.4	12.3	46.6	133	
1956-----	33.2	2.9	14.4	50.5	138	
1957-----	31.4	2.7	13.7	47.8	147	
1958-----	31.1	2.4	14.5	48.0	156	

^{1/} Includes tax sales, loss of title by default of contract, sales to avoid foreclosure, and surrender of title or other transfers to avoid foreclosure.

^{2/} Largely inheritance, gifts, and sales in settlement of estates; also includes a small number of miscellaneous and unclassified transfers.

^{3/} Farmland and buildings as of March 1.

Table 31.- Taxes: Amounts levied on farm property and automotive taxes paid by farmers, United States, selected years, 1925-58

Year	Property taxes levied		Automotive taxes paid		
	Farm real estate	Farm personal property	Licenses and permits 1/	Motor fuel taxes	
				State 2/	Federal
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1925---	516.8	71.7	49.8	21.9	---
1930---	566.8	81.3	64.0	63.1	---
1935---	392.3	42.0	55.2	65.7	20.6
1940---	401.1	50.2	68.3	79.3	35.8
1941---	406.7	56.1	73.1	81.8	45.4
1942---	399.5	66.6	109.7	76.7	46.0
1943---	400.2	76.8	100.0	72.8	46.6
1944---	418.9	80.4	100.4	74.5	49.1
1945---	464.8	91.5	103.0	89.9	55.5
1946---	518.7	98.5	88.3	107.8	64.6
1947---	605.4	127.7	97.1	118.8	70.7
1948---	656.0	150.1	108.1	127.3	75.3
1949---	706.2	166.8	115.1	135.7	79.1
1950---	740.6	178.5	119.9	139.1	80.2
1951---	772.8	214.1	129.6	151.4	88.1
1952---	804.5	233.5	135.5	157.6	116.0
1953---	838.9	223.5	144.1	167.8	120.2
1954---	869.7	216.1	149.3	177.2	124.5
1955---	928.4	3/ 220.4	156.5	4/ 200.1	4/ 121.7
1956---	3/ 977.3	4/ 225.7	161.9	3/ 194.2	3/ 5/ 98.6
1957---	1,043.5	4/ 233.0	4/ 167.4	201.8	4/ 119.9
1958---	4/ 1,105.0	4/ 239.8	---	---	---

1/ Includes Federal use taxes, 1942-45.

2/ 1924-44, taxes on motor fuel used in automobiles and trucks only; thereafter, also includes taxes on gasoline used in farm tractors.

3/ Preliminary.

4/ Revised.

5/ Federal tax rate on gasoline increased from 2 cents to 3 cents per gallon by the Highway Revenue Act of 1956, effective July 1, 1956. Federal tax refund at the rate of 2 cents per gallon from January 1-July 1, 1956, thereafter at the rate of 3 cents per gallon on gasoline used for farming purposes.

Table 32.- Taxes levied on farm real estate: Amount per acre, by States, selected years, 1940-57 ^{1/}

State and region	1940	1945	1950	1955	1956	1957
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Maine-----	0.84	1.00	1.27	1.37	1.44	1.55
New Hampshire-----	.88	.92	1.41	1.67	1.82	1.95
Vermont-----	.54	.60	.87	1.04	1.13	1.22
Massachusetts-----	2.70	2.69	3.44	4.15	4.63	5.11
Rhode Island-----	1.70	1.90	2.40	3.43	3.54	4.15
Connecticut-----	1.86	2.21	3.30	4.58	4.93	5.32
New York-----	1.10	1.10	1.66	2.14	2.24	2.42
New Jersey-----	2.31	2.51	3.89	5.56	6.52	7.79
Pennsylvania-----	.98	1.05	1.38	1.62	1.76	1.87
Delaware-----	.33	.44	.58	.78	.84	.93
Maryland-----	.81	.84	1.15	1.31	1.51	1.53
Northeast-----	1.09	1.15	1.60	1.99	2.16	2.34
Ohio-----	.69	.74	1.09	1.60	1.70	1.82
Indiana-----	.76	.81	1.35	1.75	1.85	1.96
Illinois-----	.98	1.10	2.08	2.97	3.17	3.51
Iowa-----	1.00	1.21	1.92	2.27	2.37	2.51
Missouri-----	.32	.34	.51	.70	.75	.78
Corn Belt-----	.74	.84	1.40	1.86	1.97	2.12
Michigan-----	.46	.52	.77	1.22	1.32	1.54
Wisconsin-----	.78	.96	1.57	1.93	1.99	2.11
Minnesota-----	.66	.85	1.33	1.67	1.73	1.88
Lake States-----	.65	.80	1.27	1.65	1.72	1.87
Virginia-----	.27	.29	.46	.62	.68	.72
West Virginia-----	.16	.17	.23	.26	.27	.29
North Carolina-----	.37	.40	.50	.59	.62	.67
Kentucky-----	.32	.38	.63	.72	.74	.75
Tennessee-----	.38	.41	.47	.52	.53	.55
Appalachian-----	.32	.35	.49	.58	.61	.63
South Carolina-----	.30	.26	.36	.42	.43	.45
Georgia-----	.14	.19	.32	.32	.33	.36
Florida-----	.32	.25	.51	.59	.65	.76
Alabama-----	.20	.23	.26	.28	.28	.29
Southeast-----	.21	.22	.34	.39	.41	.45
Mississippi-----	.34	.37	.38	.41	.43	.44
Arkansas-----	.28	.29	.32	.40	.42	.44
Louisiana-----	.31	.33	.39	.46	.48	.52
Delta States-----	.31	.33	.36	.42	.44	.46
Oklahoma-----	.24	.25	.36	.40	.41	.43
Texas-----	.14	.15	.26	.32	.33	.34
Southern Plains-----	.16	.17	.28	.34	.35	.36
North Dakota-----	.22	.25	.43	.45	.46	.50
South Dakota-----	.28	.32	.47	.58	.64	.67
Nebraska-----	.30	.38	.66	.91	.97	1.05
Kansas-----	.36	.41	.72	.95	.94	1.02
Northern Plains-----	.30	.35	.58	.74	.77	.83
Montana-----	.11	.13	.21	.25	.27	.28
Idaho-----	.45	.55	.85	1.07	1.08	1.11
Wyoming-----	.06	.07	.13	.15	.16	.16
Colorado-----	.20	.23	.35	.48	.49	.54
New Mexico-----	.04	.05	.09	.09	.09	.10
Arizona-----	.13	.12	.36	.41	.38	.46
Utah-----	.30	.33	.48	.58	.62	.62
Nevada-----	.15	.14	.17	.16	.16	.16
Mountain-----	.14	.16	.27	.33	.34	.36
Washington-----	.32	.40	.61	.80	.86	.90
Oregon-----	.33	.32	.76	.92	.93	.97
California-----	.83	1.00	1.86	2.43	2.62	2.71
Pacific-----	.56	.67	1.27	1.64	1.78	1.83
United States-----	.39	.44	.69	.87	.91	.97

^{1/} Year of levy but not necessarily year of payment.

Table 33.- Taxes levied on farm real estate: Index numbers of amount per acre, by States, selected years, 1940-57 ^{1/}

State and region	(1909-13 = 100)					
	1940	1945	1950	1955	1956	1957
Maine-----	297	355	450	486		
New Hampshire-----	279	292	447		510	547
Vermont-----	259	290	419	531	579	618
Massachusetts-----	334	334	426	504	547	593
Rhode Island-----	374	417	526	514	573	633
Connecticut-----	384	457	683	752	777	910
New York-----	265	266	403	518	1,021	1,101
New Jersey-----	321	348	540	518	544	587
Pennsylvania-----	202	215	282	773	907	1,084
Delaware-----	133	176	234	333	360	383
Maryland-----	215	223	306	314	338	372
Northeast-----	255	268	375	466	402	404
Ohio-----	147	158	234		506	548
Indiana-----	146	156	259	342	363	391
Illinois-----	246	275	523	335	354	376
Iowa-----	246	299	475	747	795	881
Missouri-----	231	245	371	561	586	622
Corn Belt-----	203	229	382	509	545	568
Michigan-----	106	121	177	508	537	579
Wisconsin-----	229	281	460	282	306	355
Minnesota-----	285	367	571	566	584	618
Lake States-----	202	250	395	717	745	808
Virginia-----	245	262	418	512	534	582
West Virginia-----	141	146	203	562	617	652
North Carolina-----	464	510	629	223	234	253
Kentucky-----	212	251	421	752	789	843
Tennessee-----	276	298	338	481	492	500
Appalachian-----	267	295	412	377	384	399
South Carolina-----	234	204	280	488	510	533
Georgia-----	129	172	291			
Florida-----	293	235	468	321	332	347
Alabama-----	231	255	288	294	298	328
Southeast-----	199	209	326	546	601	702
Mississippi-----	249	267	277	313	322	329
Arkansas-----	192	198	217	362	381	421
Louisiana-----	210	219	260			
Delta States-----	218	230	250	296	311	321
Oklahoma-----	127	131	193	276	291	302
Texas-----	241	270	457	304	323	346
Southern Plains-----	190	207	337	290	306	319
North Dakota-----	157	174	301			
South Dakota-----	221	253	370	210	216	230
Nebraska-----	190	236	410	562	577	597
Kansas-----	194	220	384	402	413	430
Northern Plains-----	188	219	366	319	323	351
Montana-----	174	202	327	457	509	526
Idaho-----	193	233	362	569	609	655
Wyoming-----	175	210	405	507	501	544
Colorado-----	179	211	318	470	488	524
New Mexico-----	208	249	403	393	417	426
Arizona-----	207	183	575	453	460	471
Utah-----	201	217	315	454	477	488
Nevada-----	230	215	264	439	445	489
Mountain-----	170	201	331	2/ 405	2/ 425	450
Washington-----	113	141	218	650	609	726
Oregon-----	224	218	519	387	410	409
California-----	233	282	524	255	255	260
Pacific-----	195	233	438	410	2/ 414	438
United States-----	187	213	335	283	307	319
				626	668	660
				684	739	765
				565	613	631

^{1/} Year of levy but not necessarily year of payment.
^{2/} Revised.

Table 34.- Taxes levied on farm real estate: Amount per \$100 of full value, by States, selected years 1940-57 1/

State and region	1940	1945	1950	1955	1956	1957
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Maine-----	2.87	2.09	2.28	2.27	2.23	2.32
New Hampshire-----	2.41	1.55	1.82	1.86	1.94	1.96
Vermont-----	1.76	1.33	1.46	1.68	1.74	1.76
Massachusetts-----	2.41	1.65	1.65	1.82	1.86	1.91
Rhode Island-----	1.38	1.02	.89	.97	.92	.99
Connecticut-----	1.30	1.08	1.23	1.51	1.48	1.46
New York-----	1.99	1.49	1.71	1.85	1.81	1.90
New Jersey-----	1.70	1.12	1.23	1.25	1.35	1.49
Pennsylvania-----	1.65	1.19	1.12	1.07	1.09	1.09
Delaware-----	.51	.45	.47	.47	.46	.46
Maryland-----	1.20	.81	.83	.71	.75	.69
Northeast-----	1.79	1.30	1.36	1.38	1.39	1.42
Ohio-----	1.01	.64	.67	.77	.77	.76
Indiana-----	1.18	.70	.83	.84	.83	.84
Illinois-----	1.18	.82	1.02	1.23	1.22	1.28
Iowa-----	1.26	.97	1.02	1.10	1.10	1.12
Missouri-----	.98	.63	.68	.82	.81	.79
Corn Belt-----	1.15	.79	.90	1.01	1.00	1.03
Michigan-----	.90	.61	.69	.84	.85	.95
Wisconsin-----	1.54	1.30	1.58	1.82	1.74	1.76
Minnesota-----	1.49	1.31	1.34	1.42	1.34	1.36
Lake States-----	1.35	1.11	1.25	1.37	1.31	1.36
Virginia-----	.65	.41	.50	.54	.56	.56
West Virginia-----	.50	.34	.36	.35	.35	.35
North Carolina-----	.95	.53	.46	.44	.44	.45
Kentucky-----	.84	.56	.68	.76	.71	.68
Tennessee-----	1.03	.62	.54	.55	.52	.52
Appalachian-----	.83	.52	.53	.54	.53	.53
South Carolina-----	.94	.45	.47	.46	.44	.44
Georgia-----	.66	.54	.67	.50	.47	.48
Florida-----	.82	.36	.74	.49	.46	.46
Alabama-----	.93	.60	.47	.44	.43	.41
Southeast-----	.82	.48	.59	.48	.45	.45
Mississippi-----	1.32	.82	.59	.51	.49	.48
Arkansas-----	1.07	.65	.45	.50	.48	.47
Louisiana-----	.86	.54	.44	.38	.37	.37
Delta States-----	1.10	.69	.50	.47	.45	.44
Oklahoma-----	.98	.62	.60	.60	.57	.58
Texas-----	.71	.43	.47	.50	.47	.47
Southern Plains-----	.78	.47	.50	.52	.49	.49
North Dakota-----	1.70	1.12	1.31	1.19	1.10	1.10
South Dakota-----	1.98	1.28	1.17	1.28	1.40	1.35
Nebraska-----	1.35	.89	.95	1.24	1.34	1.30
Kansas-----	1.23	.86	.97	1.13	1.10	1.10
Northern Plains-----	1.44	.97	1.04	1.20	1.22	1.20
Montana-----	1.42	.89	.92	.89	.91	.89
Idaho-----	1.34	.86	.94	1.01	1.01	.99
Wyoming-----	.94	.57	.76	.86	.96	.93
Colorado-----	1.53	.89	.88	1.16	1.20	1.23
New Mexico-----	.70	.33	.35	.29	.33	.33
Arizona-----	1.11	.38	.77	.67	.62	.69
Utah-----	1.31	.84	.84	.94	1.09	1.04
Nevada-----	1.14	.64	.73	.56	.55	.53
Mountain-----	1.27	.73	.80	.90	.88	.88
Washington-----	.80	.50	.59	.64	.63	.62
Oregon-----	1.15	.57	1.06	1.10	1.09	1.02
California-----	1.15	.62	.98	.94	.94	.90
Pacific-----	1.08	.59	.92	.92	.91	.87
United States-----	1.18	.77	.86	.92	.90	.91

1/ Year of levy but not necessarily year of payment.

Table 35.- Taxes levied on farm real estate: Total taxes, by States, selected years, 1940-57 ^{1/}

State and region	1940	1945	1950	1955	1956	1957
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Maine-----	3.5	4.6	5.3	5.0	5.3	5.6
New Hampshire-----	1.6	1.9	2.4	2.4	2.6	2.8
Vermont-----	2.0	2.3	3.0	3.5	3.7	4.1
Massachusetts-----	5.2	5.6	5.6	5.9	6.5	7.2
Rhode Island-----	.4	.5	.5	.5	.6	.6
Connecticut-----	2.8	3.5	4.2	5.2	5.6	6.0
New York-----	16.8	19.3	26.5	32.6	33.6	36.3
New Jersey-----	4.3	4.5	6.7	9.2	10.8	12.9
Pennsylvania-----	14.4	15.7	19.3	21.2	23.0	24.4
Delaware-----	.3	.4	.5	.6	.7	.8
Maryland-----	3.4	3.5	4.7	5.1	5.9	5.9
Northeast-----	56.7	61.8	78.7	91.2	98.3	106.6
Ohio-----	15.0	16.1	22.7	31.8	33.7	36.3
Indiana-----	15.1	16.1	26.5	33.5	35.5	37.7
Illinois-----	30.4	34.6	64.3	90.1	95.7	106.0
Iowa-----	34.0	41.6	65.7	77.1	80.4	85.4
Missouri-----	11.0	11.8	17.8	23.7	25.5	26.6
Corn Belt-----	105.5	120.2	197.0	256.2	270.8	292.0
Michigan-----	8.3	9.6	13.1	20.0	21.7	25.2
Wisconsin-----	17.8	22.5	36.4	43.3	44.8	47.3
Minnesota-----	21.6	28.1	43.6	53.7	55.6	60.4
Lake States-----	47.7	60.2	93.1	117.0	122.1	132.9
Virginia-----	4.4	4.7	7.1	9.0	9.9	10.5
West Virginia-----	1.4	1.5	1.9	1.9	2.0	2.1
North Carolina-----	6.9	7.5	9.6	10.8	11.3	12.1
Kentucky-----	6.5	7.4	12.3	13.0	13.4	13.5
Tennessee-----	7.1	7.3	8.7	9.2	9.4	9.8
Appalachian-----	26.3	28.4	39.6	43.9	46.0	48.0
South Carolina-----	3.4	2.9	4.3	4.6	4.7	5.0
Georgia-----	3.4	4.4	8.2	7.7	7.8	8.6
Florida-----	2.6	3.3	8.1	10.4	11.5	13.4
Alabama-----	3.9	4.3	5.3	5.7	5.9	6.0
Southeast-----	13.3	14.9	25.9	28.4	29.9	33.0
Mississippi-----	6.6	7.2	7.8	8.3	8.8	9.1
Arkansas-----	5.1	5.0	6.0	7.2	7.5	7.8
Louisiana-----	3.1	3.3	4.3	5.2	5.4	5.7
Delta States-----	14.8	15.5	18.1	20.7	21.7	22.6
Oklahoma-----	8.4	8.5	12.6	13.6	14.1	15.0
Texas-----	19.0	21.6	37.2	45.8	47.3	48.9
Southern Plains-----	27.4	30.1	49.8	59.4	61.4	63.9
North Dakota-----	8.4	9.5	16.7	18.0	18.3	19.9
South Dakota-----	9.6	10.9	18.2	22.0	25.1	26.0
Nebraska-----	14.3	17.5	30.2	41.9	44.8	48.2
Kansas-----	17.6	20.1	35.0	47.6	46.9	50.9
Northern Plains-----	49.9	58.0	100.1	129.5	135.1	145.0
Montana-----	5.2	6.4	10.4	12.9	14.3	14.8
Idaho-----	4.7	6.2	10.0	13.3	13.9	14.2
Wyoming-----	1.6	1.9	3.4	4.0	4.6	4.7
Colorado-----	6.2	7.8	12.2	17.1	17.1	18.9
New Mexico-----	1.3	1.6	2.7	2.8	2/ 3.1	3.3
Arizona-----	1.7	1.6	4.5	6.4	6.0	7.1
Utah-----	2.2	3.0	4.4	5.4	6.2	6.2
Nevada-----	.6	.7	1.0	1.1	1.1	1.1
Mountain-----	23.5	29.2	48.6	63.0	2/ 66.3	70.3
Washington-----	4.9	6.2	10.0	13.1	13.6	14.1
Oregon-----	5.9	6.1	14.8	18.5	19.1	18.9
California-----	25.2	34.2	64.9	87.5	93.0	96.2
Pacific-----	36.0	46.5	89.7	119.1	125.7	129.2
United States-----	401.1	464.8	740.6	928.4	2/ 977.3	1,043.5

^{1/} Year of levy but not necessarily year of payment.^{2/} Revised.

Table 36.- Farm fire losses, United States, 1940-58 ^{1/}

Year	Amount	Year	Amount	Year	Amount
	Mil. dol.		Mil. dol.		Mil. dol.
1940-----	64	1947-----	125	1954-----	144
1941-----	67	1948-----	141	1955-----	148
1942-----	68	1949-----	127	1956-----	145
1943-----	82	1950-----	131	1957-----	152
1944-----	90	1951-----	145	1958-----	156
1945-----	94	1952-----	145		
1946-----	105	1953-----	135		

^{1/} Represents fire and lightning losses on buildings, implements and machinery, livestock, crop, and household goods.

Table 37.- Farmers' mutual fire insurance: Number of companies, amount and cost of insurance, and surplus and reserves, United States, selected years, 1914-58 ^{1/} ^{2/}

Year	Companies	Insurance in force at end of year	Cost per \$100 of insurance			Surplus and reserves at end of year ^{3/}
	Number	1,000 dollars	Losses	Expenses	Total	1,000 dollars
1914-----	1,947	5,264,119	20.4	6.0	26.4	---
1920-----	1,944	7,865,988	17.4	8.4	25.8	---
1930-----	1,886	11,382,104	24.8	6.8	31.6	---
1940-----	1,898	12,294,287	17.1	8.1	25.2	45,474
1941-----	1,885	12,518,913	16.2	8.4	24.6	50,119
1942-----	1,877	12,982,390	14.6	8.1	22.7	55,797
1943-----	1,878	13,777,555	16.2	7.7	23.9	61,413
1944-----	1,847	14,221,012	15.9	7.8	23.7	63,490
1945-----	1,841	15,170,456	15.6	8.0	23.6	70,644
1946-----	1,833	16,941,434	15.8	8.8	24.6	76,194
1947-----	1,803	19,263,745	15.8	8.5	24.3	85,625
1948-----	1,806	20,769,410	16.4	8.7	25.1	93,328
1949-----	1,808	22,488,417	14.0	8.3	22.3	108,033
1950-----	1,777	24,160,742	14.6	8.4	23.0	122,384
1951-----	1,745	25,493,692	14.1	8.0	22.1	129,252
1952-----	1,759	27,716,145	13.8	8.2	22.0	147,639
1953-----	1,694	26,898,393	14.3	7.3	21.6	152,608
1954-----	1,709	28,295,428	16.7	7.5	24.2	167,264
1955-----	1,651	28,222,975	15.9	7.5	23.4	160,540
1956 ^{4/} -----	1,636	28,547,953	15.9	7.9	23.8	169,497
1957 ^{5/} -----	---	30,427,000	16.3	9.0	25.3	156,920
1958 ^{5/} -----	---	32,338,000	15.4	8.6	24.0	201,942

^{1/} For 1914, 1920, and 1930, includes companies with more than 65 percent of their insurance on farm property; for later years those with at least 50 percent. In recent years, between 86 and 88 percent of total farm mutual insurance has been on farm property.

^{2/} For 1914-56, data are for the number of companies shown; they may not be entirely complete for any year. For 1957-58, the data are estimates for all companies.

^{3/} Excess of assets over liabilities. Most farmers' mutuals are assessment companies and as such are not required to set up unearned premium reserves. Data not compiled before 1935.

^{4/} Revised.

^{5/} Preliminary estimates based on sample of companies.

Data for 1914, 1920, 1930 and for 1942-58 compiled by Farm Economics Research Division, ARS (formerly part of Bureau of Agricultural Economics); those for 1940 and 1941 by the Farm Credit Administration.

Table 38.- Farmers' mutual fire insurance: Number of companies, amount and cost of insurance, and surplus and reserves, by States, 1956 1/

State and region	Companies	Insurance in force at end of year	Cost per \$100 of insurance			Surplus and reserves at end of year
			Losses	Expenses	Total	
	Number	1,000 dollars	Cents	Cents	Cents	1,000 dollars
Maine-----	28	135,499	36.9	14.1	51.0	932
New Hampshire-----	10	83,933	25.7	14.1	39.8	2,259
Vermont-----	4	185,903	28.7	13.5	42.2	1,260
Massachusetts 3/-----	0	0	0	0	0	0
Rhode Island 3/-----	0	0	0	0	0	0
Connecticut-----	1	26,512	19.0	32.1	51.1	252
New York-----	100	1,478,863	20.0	9.3	29.3	9,644
New Jersey-----	4	182,472	22.5	15.7	38.2	2,781
Pennsylvania-----	108	1,684,886	12.2	8.4	20.6	9,507
Delaware-----	3	13,840	60.6	26.4	87.0	262
Maryland-----	5	167,931	19.1	9.7	28.8	4,422
Northeast-----	263	3,959,839	18.0	9.9	27.9	31,321
Ohio-----	90	2,789,139	19.5	6.1	25.6	6,395
Indiana-----	67	1,451,692	18.6	8.0	26.6	7,909
Illinois-----	191	1,962,064	9.8	5.6	15.4	8,519
Iowa-----	145	3,698,961	11.8	5.6	17.4	18,411
Missouri-----	107	809,158	21.8	6.8	28.6	5,417
Corn Belt-----	600	10,711,014	15.0	6.1	21.1	48,651
Michigan-----	58	1,891,428	21.6	10.4	32.0	9,670
Wisconsin-----	183	3,040,658	13.6	4.7	18.3	10,934
Minnesota-----	152	2,691,219	10.8	5.3	16.1	10,866
Lake States-----	393	7,623,305	14.6	6.3	20.9	31,470
Virginia-----	38	481,191	15.2	13.1	28.3	5,677
West Virginia-----	13	97,972	15.0	14.7	29.7	1,987
North Carolina-----	31	183,677	24.8	11.6	36.4	3,201
Kentucky-----	15	210,953	34.9	16.6	51.5	4,037
Tennessee-----	29	174,745	20.5	12.7	33.2	1,565
Appalachian-----	127	1,153,438	21.0	13.6	34.6	16,467
South Carolina-----	10	42,462	33.5	18.7	52.2	1,207
Georgia-----	16	68,035	21.2	10.1	31.3	1,277
Florida-----	1	46,600	32.3	16.0	48.3	27
Alabama-----	1	97,393	48.0	32.1	80.1	1,079
Southeast-----	28	254,490	33.9	19.9	53.8	3,590
Mississippi-----	2	69,620	59.0	19.5	78.5	253
Arkansas-----	15	215,178	53.1	18.9	72.0	2,221
Louisiana 3/-----	0	0	0	0	0	0
Delta States-----	17	284,798	54.2	19.0	73.2	2,476
Oklahoma-----	2	31,718	34.1	7.6	41.7	1,153
Texas-----	34	495,761	12.9	3.5	16.4	5,489
Southern Plains-----	36	527,479	14.2	3.7	17.9	6,642
North Dakota-----	32	430,707	9.2	8.9	18.1	2,824
South Dakota-----	43	449,267	7.1	4.4	11.5	2,814
Nebraska-----	41	1,039,886	14.7	12.8	27.5	7,094
Kansas-----	10	474,049	22.8	12.8	35.6	2,940
Northern Plains-----	126	2,393,909	14.0	10.6	24.6	15,572
Montana-----	12	94,611	16.4	9.3	25.7	1,014
Idaho-----	7	147,030	12.0	5.8	17.8	1,082
Wyoming-----	2	7,094	9.1	22.2	31.3	115
Colorado-----	5	326,460	9.7	8.3	18.0	773
New Mexico 3/-----	0	0	0	0	0	0
Arizona 3/-----	0	0	0	0	0	0
Utah-----	1	41,354	9.0	26.0	35.0	1,224
Nevada 3/-----	0	0	0	0	0	0
Mountain-----	27	616,549	11.2	9.2	20.4	4,208
Washington-----	3	335,849	16.1	14.0	30.1	4,216
Oregon-----	5	167,064	16.2	13.6	29.8	1,245
California-----	11	520,219	13.3	11.2	24.5	3,541
Pacific-----	19	1,024,132	14.6	12.4	27.0	9,002
United States-----	1,636	28,547,953	15.9	7.9	23.8	169,497

1/ Revised. Includes companies with at least half of their insurance on farm property. In recent years, about 85 percent of the total farm mutual insurance has been on farm property. Data for some companies not available at time of publication.

2/ Excess of assets over liabilities. Most farmers' mutuals are assessment companies and as such are not required to set up unearned premium reserves.

3/ No mutual fire insurance company with as much as half of its insurance on farm property.

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LIST OF AVAILABLE PUBLICATIONS AND REPORTS
RELATED TO AGRICULTURAL FINANCE

		Date issued
Agricultural Credit:		
932	Broiler Costs and Returns in Lower Delaware, 1952-55 (In cooperation with Delaware Agricultural Experiment Station) Del. Agr. Expt. Sta. Bul. 327	Feb. 1959
2,259	Farm-Mortgage Lending Experience of Life Insurance Companies, the Federal Land Banks, and the Farmers Home Administration, (quarterly)	1958
1,260	Farm-Mortgage Loans of the Federal Land Banks ARS 43-86	Dec. 1958
0	Farm Investments of Life Insurance Companies, 1958 ARS 43-84	Oct. 1958
0	Continued Rise in Farm Mortgage Debt ARS 43-82	Sept. 1958
9,644	Contract Interest Rates on Farm Mortgages Recorded, January through March, 1957 ARS 43-73	Feb. 1958
2,783	Financing the Production of Broilers in Lower Delaware (In cooperation with Delaware Agricultural Experiment Station) Del. Agr. Expt. Sta. Bul. 322	Oct. 1957
9,507	Farm-Mortgage Loans held by Life Insurance Companies ARS 43-58	Oct. 1957
4,222	Financing Farm Adjustments (Reprint)	Dec. 1956
31,321	Tenant Farmers, South Platte Valley, Colorado, How They Get Farms and Accumulate Capital ARS 43-18	Aug. 1956
8,395	U. S. Mortgaged Farms, 1950, Estimates by Ratio of Debt to Value ARS 43-13	Aug. 1955
7,909	Financing Broiler Production by Banks and Production Credit Associations in the South South. Coop. Series Bul. 44	June 1955
6,519	Amortization of Loans - Its Application to Farm Problems	May 1954
18,111	Bank Financing of Dairy Farmers in Northern Vermont U.S.D.A. Agr. Inform. Bul. 129	May 1954
5,417	Factors Affecting Farm Loan Interest Rates U.S.D.A. Agr. Inform. Bul. 126	May 1954
45,651	Rate of Return on Mortgages Purchased at a Discount (Reprint)	July 1953
9,670	Farm-Mortgage Interest Charges and Interest Rates 1940-48 U.S.D.A. Cir. 821	Oct. 1949
10,934	Farm-Mortgage Loans and Their Distribution by Lender Groups, 1940-48 U.S.D.A. Cir. 812	Aug. 1949
10,966	Farm-Mortgage Loans Made or Recorded by Principal Lenders, 1910-48	Apr. 1949
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Farm Taxation and Local Government:		
1,207	Property Tax Trends Affecting Michigan Farmers (In cooperation with Michigan Agricultural Experiment Station) Mich. Agr. Expt. Sta. Spec. Rpt. 421	Dec. 1958
1,277	Taxes Levied on Farm Real Estate	1956-58
21	A Practical Approach to Improving Farm Real Estate Assessment in South Carolina (In cooperation with South Carolina Agricultural Experiment Station) S.C. Agr. Expt. Sta. Bul. 450	June 1957
1,079	Some Effects of Suburban Residential Development on Local Finances . Agr. Econ. Res., v. 9, No. 2	Apr. 1957
3,590	Equalization of Property Taxes in an Urban-Rural Area (Reprint)	Feb. 1957
253	Taxes Levied on Farm Property in the United States and Methods of Estimating Them U.S.D.A. Statis. Bul. 189	Oct. 1956
2,221	Governmental Cost in Agriculture - The Concept and Its Measurement ARS 43-28	May 1956
0	Farm Real Estate Assessment in Georgia (In cooperation with Georgia Agricultural Experiment Station) Ga. Agr. Expt. Sta. Bul. W. S. 22	Apr. 1956
2,674	Alternative Methods of Figuring Depreciation Under the Internal Revenue Code of 1954 (Reprint)	Aug. 1955
1,153	The Impact of Federal Income Taxes on Farm People ARS 43-11	July 1955
5,489	Property Tax Problems in the Southeast (In cooperation with South Carolina Agricultural Experiment Station) S.C. Agr. Expt. Sta. Bul. 414	Jan. 1954
6,642	Assessment of Farm Real Estate for Tax Purposes in South Carolina (In cooperation with South Carolina Agricultural Experiment Station) S.C. Agr. Expt. Sta. Bul. 416	Jan. 1954
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Farm Real Estate Values:		
	Current Developments in the Farm Real Estate Market (issued 3 times a year)	1958
	Effects of Location and Road Type on Market Values of Farm Real Estate (reprint)	Oct. 1958
	Land Values and Farm Finance. Major Statistical Series of the U. S. Department of Agriculture Vol. 6, Agr. Handb. 118	Oct. 1957
	Prevailing Land Market Forces (Reprint)	Aug. 1957
	Land Market Trends in South Dakota, 1941-56 S. Dak. Agr. Expt. Sta. Pan. 86	June 1957
	Farm Land Market Situation in the Southwestern States, 1946-54 Texas Agr. Expt. Sta. Bul. 797	Mar. 1955
	Arkansas Land Prices in War and Peace Ark. Agr. Expt. Sta. Bul. 517	Nov. 1951
	Farm Real Estate Activity in 12 Western Counties, 1941-48	June 1950
	Improving Land Credit Arrangements in the Midwest Ind. Agr. Expt. Sta. Bul. 551	June 1950
	The Farm Real Estate Situation, 1947-48 and 1948-49 U.S.D.A. Cir. 823	Sept. 1949
	Virginia Farm Real Estate Situation Va. Agr. Expt. Sta. Bul. 411	Oct. 1947

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LIST OF AVAILABLE PUBLICATIONS AND REPORTS
RELATED TO AGRICULTURAL FINANCE -CONTINUED

	Date issued
<u>Farm Insurance:</u>	
Safety Funds and Reinsurance	Nov. 1956
Farmers' Mutual Fire and Windstorm Insurance in the U. S.	Oct. 1956
Safety Funds of Ohio Farm Mutuals (Address)	Feb. 1955
Legal Liability Risks and Insurance Protection for Farmers	Apr. 1954
Farm Mutual Reinsurance	Dec. 1953
Research on Farm Mutual Insurance (Address)	Oct. 1953
Farmers' Mutual Windstorm Insurance	Jan. 1952
Hail Insurance on Growing Crops	June 1951
Insurance for Farmers	June 1950
Physical Risks in Farm Production	Aug. 1949
Crop and Livestock Insurance, 1941-1948	June 1949
<u>Other:</u>	
The Balance Sheet of Agriculture, 1957-58 (annual)	1957-58
Agricultural Finance Review (Vol. 18-20) and supplements (annual)	1955-58
Agricultural Finance Outlook (annual)	1957-58
Where and How to Get a Farm - Some Questions and Answers	May 1958
Planning Farm Machinery Replacements	Nov. 1957
Extreme-Value Methods Simplified (Reprint)	July 1957
Interest Rates Charged on Installment Purchases (Reprint)	Oct. 1955
Fire Departments for Rural Communities - How to Organize and Operate Them	Oct. 1954
Financial Structure of Virginia Agriculture	Feb. 1953
Variability of Corn Yields, by Counties, in the United States	July 1952
Farm Housing and Construction	Feb. 1952
Fire Safeguards for the Farm	July 1949

SIGNED ARTICLES APPEARING IN RECENT ISSUES OF THE AGRICULTURAL FINANCE REVIEW

(In addition to these articles, each issue includes reports on current developments in the field of agricultural finance, reviews of recent publications and summaries of research projects underway. A supplement is issued each year to make available at an earlier date certain data that are ordinarily presented in the annual Agricultural Finance Review.)

Vol. 16, November 1953:

Fitting Insurance to Farmers' Needs and Circumstances.
Old-Age and Survivors Insurance to Farmers.
Ratios of Assessed Value to Full Value of Farm Property.
Property Tax Problems in the Southeast.
Costs of Federal Programs to Stabilize Agricultural Prices and Incomes.

Farmers' Share of the Property Tax.
Progress in Farm Safety.
New Forest Fire Policy.

Vol. 19, February 1957:

Trends in Farm Mutual Insurance.
*Extension People Look at Financial Management.
Financial Problems of Tenant Farmers, South Platte Valley, Colorado - A Case Study.
Farm-Mortgage Lending by Life Insurance Companies, 1954-56 - A Report on a Quarterly Survey of Sixteen Companies.
*Puerto Rico Coffee Insurance.
Intermediate-Term Loans and Liquidity Requirements of Country Banks.
*Homestead Tax Exemptions.

Vol. 17, November 1954:

Social Security for Farmers.
Emergency Credit for Farmers.
Farmers and the 1954 Internal Revenue Code.
Windstorm Insurance on Bananas in Jamaica.

Vol. 18, November 1955:

*Financial Management for Farm People.
Soil and Water Conservation Loans of the Farmers Home Administration.
*Canadian Prairie Farm Assistance Act.
A Procedure for Estimating State General Sales Taxes Paid by the Farm Population
Measures Used in Reducing the Effects of Drought in the Oklahoma Panhandle.
Taxes and Benefits from Social Security for Farmers.

Vol. 20, April 1958:

*Farm-Mortgage Loans of the Federal Land Banks and Life Insurance Companies, 1950-57.
*Cyclical and Regional Variations in Farm Property Tax Burdens.
*Farm Insurance Expenditures in 1955, by Kind of Insurance, Region, and Value of Sales.
Financing Broiler Production in Lower Delaware.
Veterans' Property Tax Exemptions.

* Reprints available.

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